

WHEDCo Home-based Childcare Microenterprise Network



*Creating Economic Opportunity for Women
While Improving the Health and Safety of Children*



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Overview

The Home-based Childcare Microenterprise Network operated by the Women's Housing and Economic Development Corporation (WHEDCo) is a proven, cost-effective business development model that helps women with difficult prospects for finding traditional employment to support their families through home-based microenterprises. Established 13 years ago, the program:

- * Enables women to generate sustainable earnings by becoming successful entrepreneurs;
- * Provides quality childcare in a home-based setting tailored to family needs; and,
- * Creates greater accountability and monitoring for the health and safety of children.

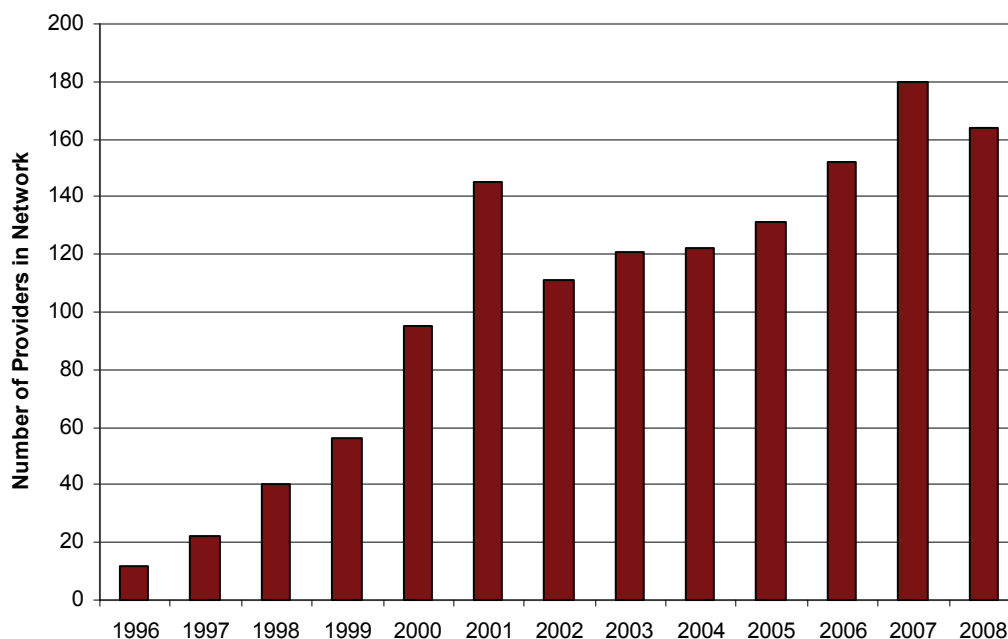
Through training, tax and licensing assistance, professional support and other resources, WHEDCo's program helps women with little formal academic preparation to build their skills and gain a foothold in the job market.

A Rapidly Growing Program

The number of providers participating in WHEDCo's Home-based Childcare (HBCC) Microenterprise Network has grown significantly since the program's inception in 1996. After growing rapidly at an average annual rate of 69% during its first five years, the program has grown at a steady average pace of 8% per year over the last five years (see Figure 1). In 1996, the Network had 12 members, and twelve years later, in 2008, the Network had increased to 164 members. Of the 1,015 children served by our current Network, 21% are infants, 53% are preschool-aged, and 25% are school-aged.

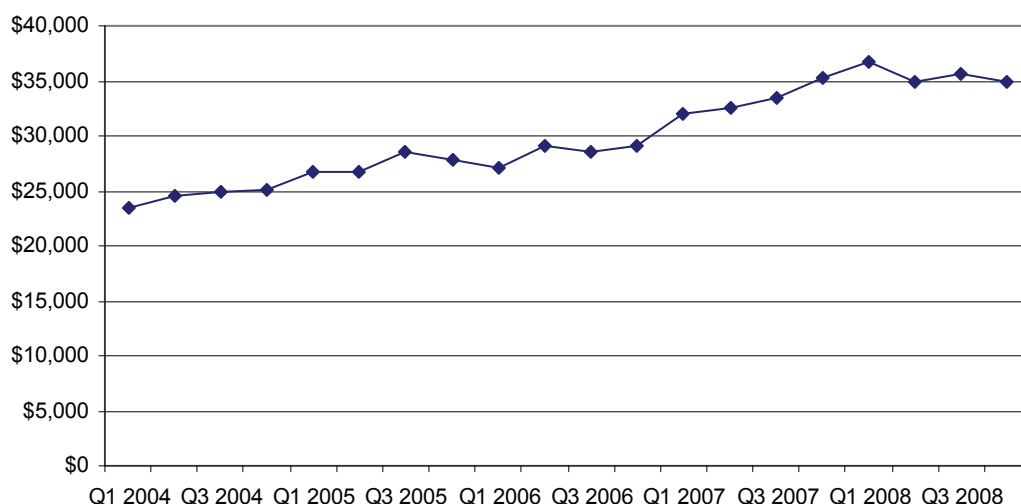
In addition to serving WHEDCo's home base in the Bronx, the Network has broadened its reach to serve parts of northern Manhattan and Brooklyn as well (see Appendix A for a map of Geographic Coverage of Network Childcare Enterprises).

Figure 1: Network Membership, 1996-2008



Source: WHEDCo HBCC tracking statistics.

Figure 2: Median Annual Gross Revenue Per Caregiver, 2004-2008



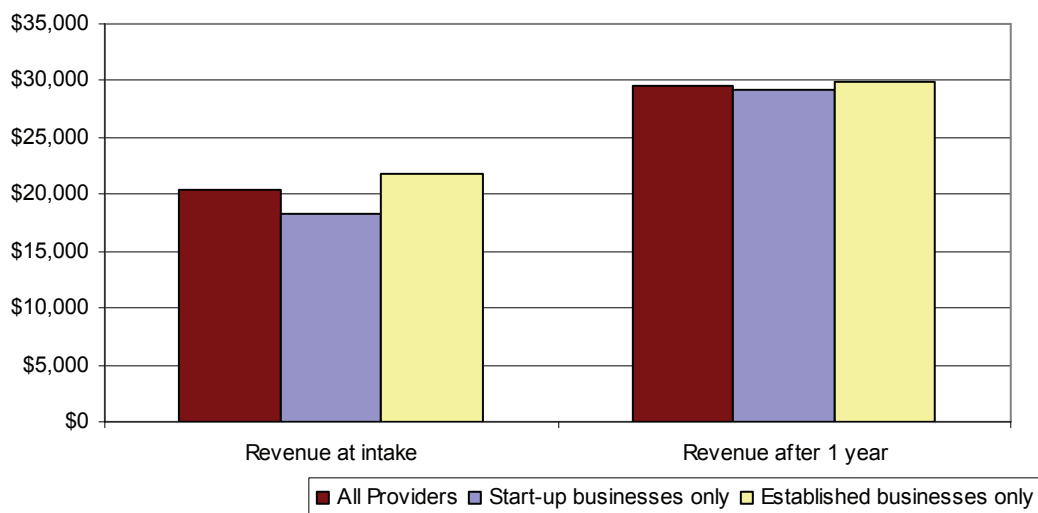
Source: WHEDCo HBCC tracking statistics.

A Proven Model for Generating Earnings

Over the years, the annual gross revenue generated per caregiver has grown steadily. As shown in Figure 2, the median annual gross revenue per caregiver grew from approximately \$24,000 in 2004 to \$35,000 in 2008, which represents an increase of 2% per quarter on average for the last four years. In both 2007 and 2008, WHEDCo caregivers collectively generated \$8 million in gross revenue, an increase from \$6.1 million in 2006.

Another positive financial feature of the program is that new enterprises are able to get started and generate revenue fairly quickly. Figure 3 shows that home-based childcare providers who are starting their businesses from scratch generate \$18,265 in revenue at intake, and are able to increase revenues to \$29,198 after one year. Moreover, after one year, there is almost no difference in the amount of revenue generated by start-ups in comparison to established businesses.

Figure 3: Start-up v. Established Business Revenue



Source: WHEDCo HBCC tracking statistics.

Training Successful Women Entrepreneurs

WHEDCo's Home-based Childcare Microenterprise Network provides crucial business and financial training to women who have had difficulty in gaining a foothold in the traditional job market and who have historically been excluded from managerial roles in professional business environments. WHEDCo's Network is currently comprised of 64% Hispanic and 30% Black/Non-Hispanic caregivers. Ninety-nine percent of providers are women.

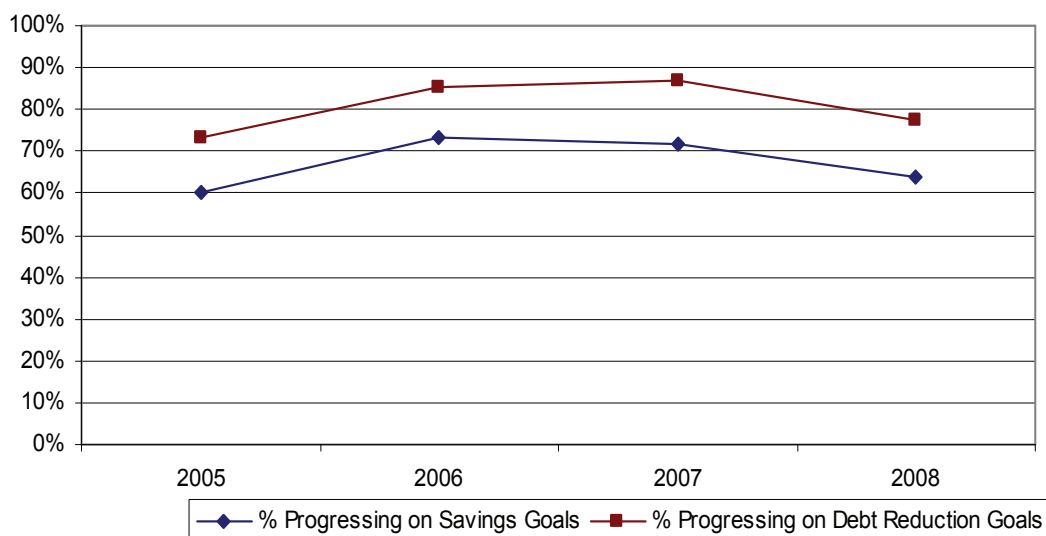
The program offers many types of business and financial training workshops to Network providers (see Appendix B for a complete listing). WHEDCo held a total of 175 ninety-minute workshops on business management and finance related topics in 2008, totaling nearly 250 hours of training. Through this training, WHEDCo entrepreneurs gain practical skills in banking, bookkeeping, business planning, credit repair, and other business and financial related topics that can be directly applied to all areas of their personal and professional lives.

Many Network members have become adept at marketing their businesses through signs, flyers, brochures and web-based information. One caregiver developed a website featuring the hours she provides her services, her children's schedule on a typical day, and pictures of her space. These kinds of technology and marketing skills can be useful in a variety of settings where local outreach is important.

WHEDCo's Network caregivers also benefit from their relationships with WHEDCo staff and each other. By being part of a Network, caregivers have opportunities to discuss issues, address concerns, develop best practices and share lessons learned in their entrepreneurial experience.

As part of its mission of assisting women to get on their feet and stabilize their finances, WHEDCo encourages caregivers to open personal savings and checking accounts, and to set savings and debt reduction goals. Figure 4 shows that in each of the past four years, over 60% of those caregivers with savings goals and over 70% of those with debt reduction goals made progress on those goals respectively.

Figure 4: Personal Financial Goals, 2004-2008



Source: WHEDCo HBCC tracking statistics

Quality Childcare Tailored to Family Needs

The small scale of home-based childcare helps foster a close relationship between caregivers, parents and children, allowing providers to offer quality services that (1) ensure the safety of children; (2) are flexible and tailored to parent needs; (3) improve child health through proper nutrition; and (4) foster the positive development of children in their care.

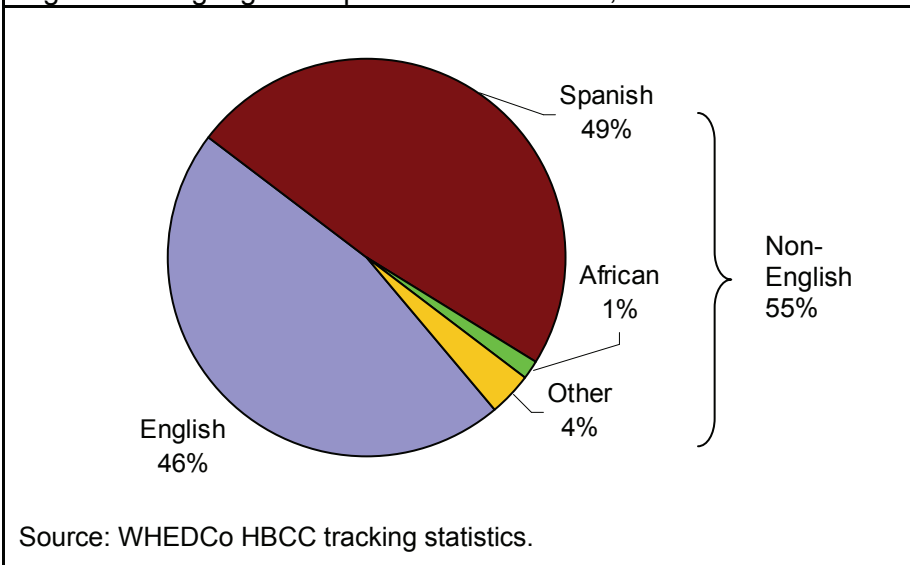
Ensuring child safety

Neighborhood-based caregivers create a seamless web of community resources that help keep children safe and prevent them from falling through the cracks. Most Network providers are familiar with the local school and its teachers, and know when to share relevant information to ensure the safety of children in their care. Caregivers have mandated reporter responsibilities, and they serve as a critical resource to protect children when things go wrong.

Offering flexible and tailored services

WHEDCO's Network caregivers fulfill a critical service niche by providing extended, flexible hours to parents with irregular work schedules. Residents of low-income communities often work in service sector jobs that require non-traditional work hours, including evenings and weekends, and Network caregivers are willing and able to serve these needs. Moreover, they are prepared to accept children from families who receive public subsidies for their childcare. The flexible, tailored services offered by Network caregivers enable parents to fulfill their work duties without the interruptions of unstable childcare, thereby ultimately improving the productivity of working parents.

Figure 5: Language Composition of Providers, 2008



Yet another positive feature of WHEDCO's Childcare Network model is that many caregivers share ethnic and linguistic backgrounds with the families they serve. More than one-half of the families who use Network childcare services speak primarily Spanish or some other non-English language at home, which roughly correlates with the language composition of the Network caregivers with whom they place their children (see Figure 5).

As a result of their shared cultural and linguistic backgrounds, caregivers and parents are able to form significant bonds of trust and understanding. Many caregivers are a generation or so older than the parents they serve (the average age of network caregivers is 42), and thus serve as mentors to young parents who are just beginning their families, arming them with valuable health, safety and child development knowledge.

Improving health through proper nutrition and fitness

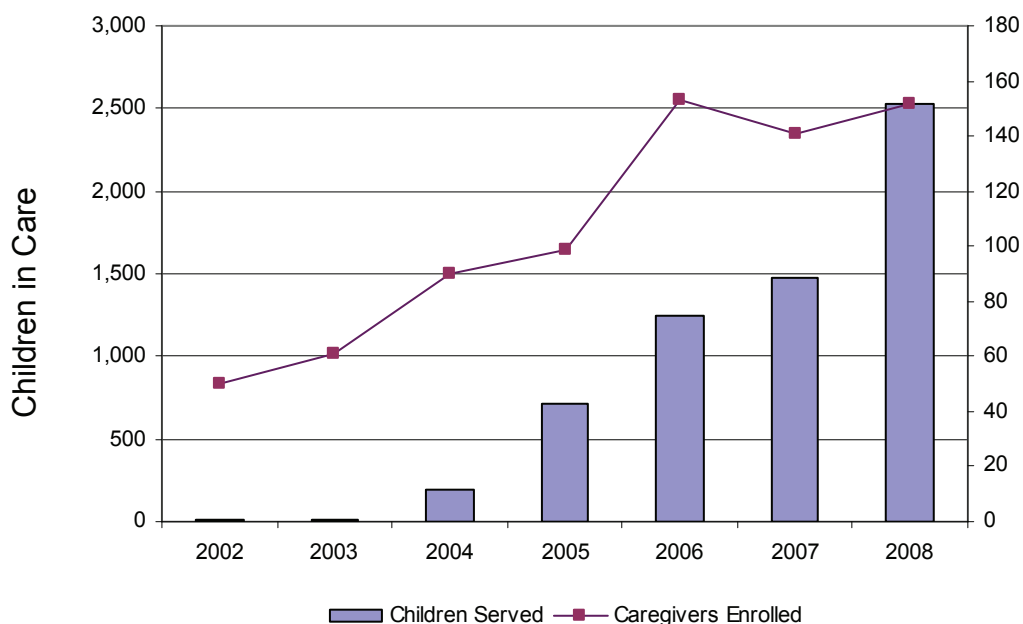
One of the most critical issues facing children of the Bronx is poor health due to a lack of proper nutrition and fitness. As described in a May 2007 report entitled “Obesity in the South Bronx: A Look Across Generations” from the NYC Department of Health and Mental Hygiene, almost half of the young children participating in Head Start programs and nearly 4 in 10 public schools students in the South Bronx are either obese or overweight. These children grapple with unprecedented health complications such as Type 2 diabetes and high blood pressure, and are far more likely to carry obesity into adulthood.

In order to help tackle these enormous and tragic health problems among Bronx children, WHEDCo's Network providers are encouraged to supply nutritious meals and snacks to the children in their care. WHEDCo offers extensive training to caregivers on properly addressing the nutrition and health needs of children, as well as passing good child health practices along to their parents.

To facilitate this effort, 83% of our Network providers participate in the U.S. Department of Agriculture's Child and Adult Care Food Program (CACFP) operated by New York State, which reimburses participating providers for meals served to children in their care as well as meals served to their families. Caregivers reimbursed by CACFP must keep detailed records of the meals they serve each week, and WHEDCo caseworkers must meticulously process their claims so that they can be reimbursed. In addition, participants receive home monitoring by WHEDCo staff and are advised on health and safety issues. The number of providers enrolled in CACFP has grown steadily since 2002 (see Figure 6), and in 2008, WHEDCo providers administered 523,255 meals to 2,532 children and received \$762,083 in reimbursements from the program.

Additionally, WHEDCo has been partnering with the NYC Department of Health and Mental Hygiene's Bronx Public Health Office to implement the 8-hour Sports, Play & Active Recreation for Kids! (SPARK) training program in our Home-based Childcare Microenterprise Network. Since 2005, over

Figure 6: Children Served & Caregivers Enrolled in CACFP, 2002-2008



Source: New York State Local Homes database

150 of our providers have been formally trained, attend ongoing workshops and actively utilize the SPARK program, which gives them the tools and information needed to promote active play and fitness among children within their home-based childcare settings.

Fostering positive child development

Perhaps most importantly, home-based family childcare providers in WHEDCo's Network offer a nurturing setting to foster children's positive growth and development. WHEDCo arms Network caregivers with a wealth of training and information on critical child development topics, ranging from building children's self-esteem to promoting early literacy (see Appendix B for a complete listing).

Caregivers who receive WHEDCo training learn to incorporate stimulating educational and physical activities into a child's day, thereby ensuring that children in their care receive a solid foundation for their growth and development. They receive tips on sparking the natural curiosity of children by decorating their homes with educational posters of the alphabet and numbers, stocking their shelves with a variety of books, and organizing educational games that engage all children. WHEDCo Network providers also offer a stable environment and homework help to school-aged children, and many report that children in their care make honor roll due to the special care and attention they receive.

Monitoring Through Regular Contact

Another major factor in the quality of the childcare provided within WHEDCo's Network is the level of monitoring conducted by WHEDCo's home visitor specialists. These staff make at least two unannounced home visits each year to each WHEDCo Network caregiver. Regular contact with professional staff leads to increased accountability and a high standard of care among Network providers. During these home visits, staff ensure that health and safety regulations are being met and that children are being provided with nutritious meals and snacks.

When WHEDCo staff find any indication of non-compliance, they file a corrective action plan and monitor the issues closely until they are resolved. Examples of health and safety violations include a lack of a fire extinguisher, smoke alarms or window guards, or the existence of unsanitary conditions (see Figure 7).

While the number of corrective action plans has varied over the years, the median time until resolution has declined since 2004 (see Figure 8). This provides evidence that home visitor staff are improving their enforcement of health and safety considerations and holding caregivers accountable for their businesses. During 665 home visits in 2008, only 43 caregivers were found to have safety deficiencies requiring corrective action. Caregivers who comply with strict health and safety standards not only serve as a positive example to other home-based childcare providers, but also to other tenants and the community at large.

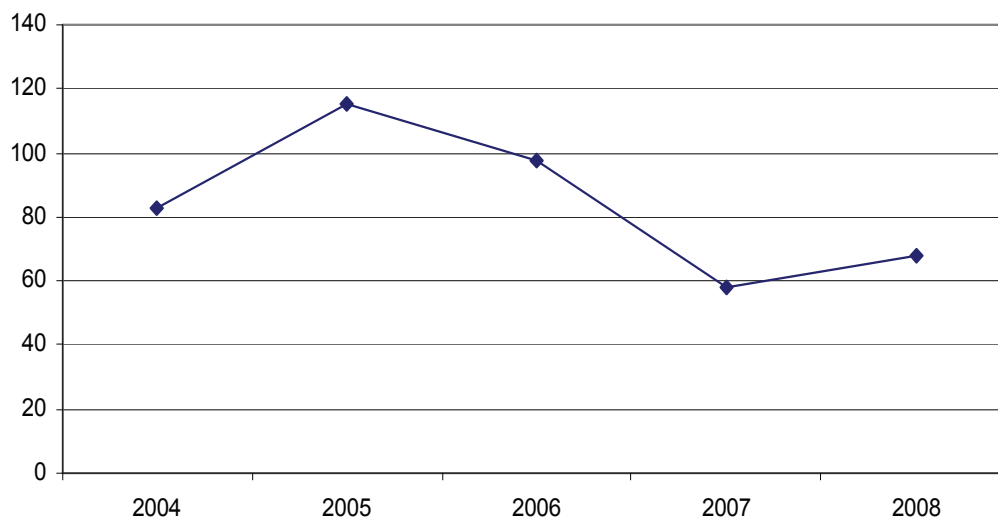
In order to ensure the continued quality of care provided by WHEDCo's Network businesses, caregivers must participate in an additional 30 hours of training every two years in order to

Figure 7: Health & Safety Checklist for Home Visits

<u>Health & Safety</u>	Poor	Satisfactory	Moderate	Very Good	Excellent
Fire Extinguisher (ABC)	1	2	3	4	5 N/A
First Aid Kit	1	2	3	4	5 N/A
Smoke Alarms	1	2	3	4	5 N/A
Window Guards	1	2	3	4	5 N/A
Secondary Exits	1	2	3	4	5 N/A
Safety Gates	1	2	3	4	5 N/A
Loose Wires	1	2	3	4	5 N/A
Lighting & Ventilation	1	2	3	4	5 N/A
Hazardous materials	1	2	3	4	5 N/A
Safety Plugs	1	2	3	4	5 N/A
Radiator Covers / Pipe Covers	1	2	3	4	5 N/A
Sanitary Conditions	1	2	3	4	5 N/A
Peeling & Chipped Paint	1	2	3	4	5 N/A
Working Telephone	1	2	3	4	5 N/A
Working Electricity	1	2	3	4	5 N/A
Pets (Immunization Records)	1	2	3	4	5 N/A

Source: WHEDCo program documentation

Figure 8: Median Days to Resolution of Corrective Action Plan, 2004-2008



Source: WHEDCo HBCC tracking statistics

have their licenses renewed. WHEDCo provides recertification workshops on health, safety and child development topics so that caregivers are continually learning and updating their skills. In 2008, WHEDCo taught 635 classes on these topics, totaling 1,345 hours of teaching and technical assistance.

Tapping WHEDCo's Pipeline to Bring the Network to Scale

In the nonprofit world, effective program models often remain modest examples of success that do not reach scale because of a lack of funding and opportunities for expansion beyond their original targeted beneficiaries. Fortunately, WHEDCo's Home-based Childcare Microenterprise Network has the potential to grow significantly by tapping into a large pool of prospective new entrepreneurs.

Since September 2008, under contract to the NYS Office of Children & Family Services (OCFS), WHEDCo has been working with unlicensed caregivers in the Bronx who receive public subsidies to care for either fewer than three children, or for children who are relatives. To increase oversight of these unlicensed childcare providers, WHEDCo now screens and enrolls them to ensure that they meet state child health and safety standards, and to determine that neither they, nor any adult family members living with them, have a criminal record. Prior to 2008, these caregivers were not formally tracked or monitored by the state, even though they were receiving public subsidies for the services they provide.

WHEDCo case workers are now stationed in four Human Resources Administration (HRA) job centers in the Bronx to make sure that new caregivers complete the enrollment and screening process. WHEDCo's goal is to process and determine eligibility of at least 14,000 of these caregivers working in New York City, and to conduct random inspections of 20% of the caregivers' homes to monitor their compliance with state law.

In addition, we are reaching significantly beyond the minimum requirements of our OCFS contract by encouraging these unlicensed caregivers to receive training to improve the quality of their care. WHEDCo developed a six-part training course designed to meet the unique needs of these caregivers, enabling them to increase the subsidies they receive from New York State and ultimately to open

their own licensed family daycare businesses.

In the first three months of our enrollment and screening program, WHEDCo exceeded projections by processing nearly 2,500 applications, fully approving 1,040 providers and temporarily approving 982 more. Through our assistance, four out of five caregivers have demonstrated that they meet state requirements for the health and safety of the children in their care. In addition, 70 unlicensed caregivers have registered interest in participating in the Child and Adult Care Food Program.

By encouraging these childcare providers to transition to licensed status in order to increase their earnings and receive formal training, WHEDCo is helping to ensure the safety of children in the Bronx. Tapping this new pipeline of prospective entrepreneurs will help bring WHEDCo's Home-based Childcare Network to scale.

Conclusion

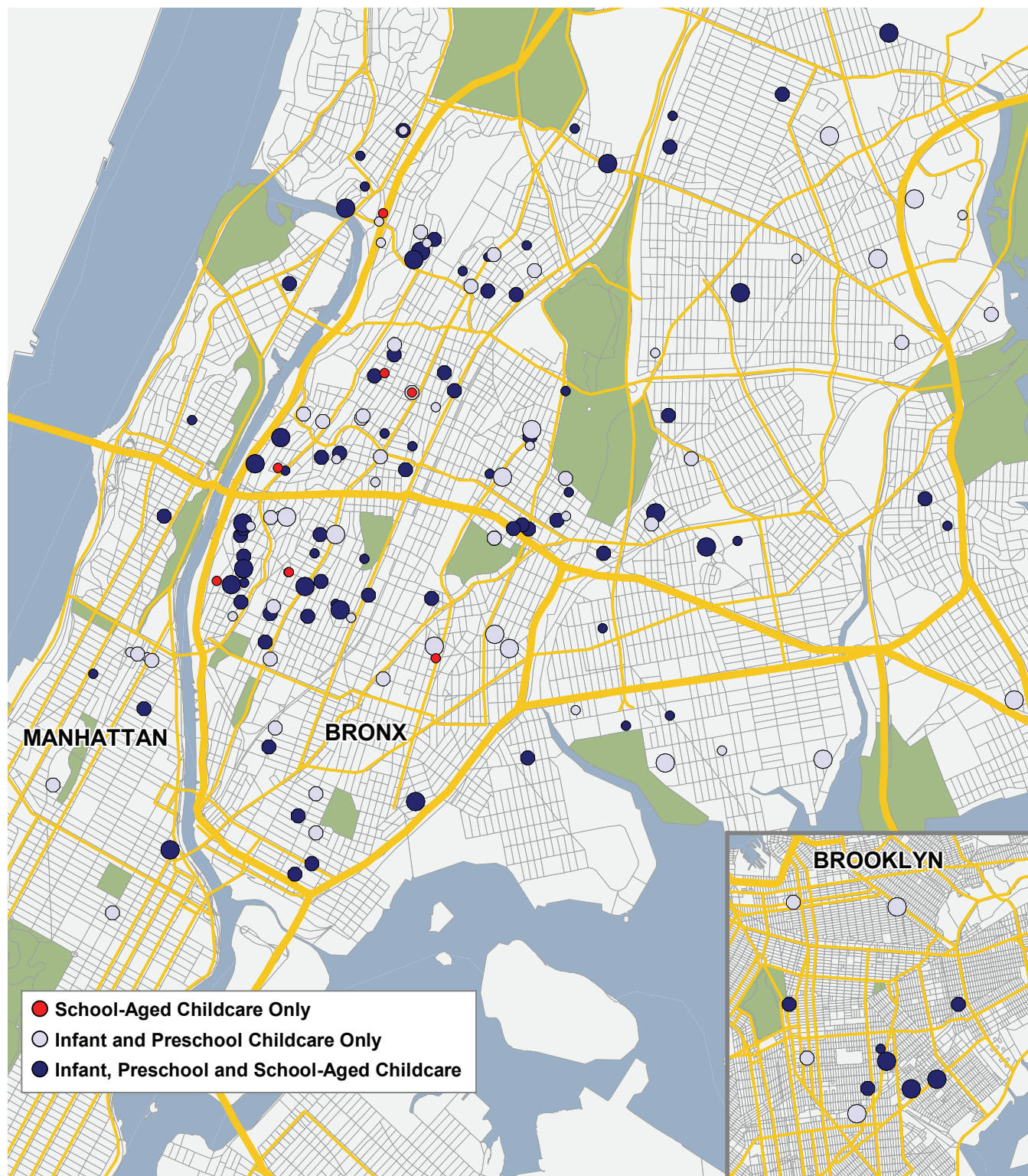
WHEDCo's Home-based Childcare Microenterprise Network is a proven, cost-effective business development model that helps women with difficult prospects for finding traditional employment to support their families through home-based microenterprises. With training, tax and licensing assistance, professional support and other resources, the program:

- * Enables women to generate sustainable earnings by becoming successful entrepreneurs;
- * Provides quality childcare in a home-based setting tailored to family needs; and,
- * Creates greater accountability and monitoring for the health and safety of children.

At a time when record numbers of white-collar workers in New York are getting served pink slips, it is little wonder that that many people of the South Bronx — with limited educational attainment and linguistic skills — have so much difficulty breaking into the economic mainstream. Yet while New York City slips deeper into a recession, WHEDCo's Home-based Childcare Microenterprise Network is a lifeline that is pulling hundreds, and potentially thousands, of Bronx residents into the mainstream.

WHEDCo's Home-based Childcare Microenterprise Network is a proven sustainable model providing a variety of benefits for caregivers, parents, children and the broader community.

Appendix A: Geographic Coverage of Network Childcare Enterprises, 2008



Appendix B: Training Workshops and Classes for Network Members

In addition to a 15-hour introductory health and safety training for any individual seeking registration as a daycare provider, WHEDCo's Home-based Childcare Microenterprise Network offers the following workshops and classes, most lasting 2.5 hours, on an ongoing basis throughout the year. Titles with asterisks (*) are part of a distance learning program sponsored by the state.

Business Management and Development

Banking Skills
 Basic Bookkeeping
 Be Business Smart*
 Budgeting Workshop
 Business Record Maintenance and Management
 Business Structures
 Contracts and Policies
 De-Stress Your Life: Recipes for Stress Management*
 Developing a Business Plan
 English as a Second Language (ESL)
 Financial Literacy
 Income and Expense Tracking
 Liability and Insurance Training
 Marketing Strategies
 Observing and Recording Children's Records
 Preparing Promotional Materials
 Record Keeping and Taxes for Childcare Providers
 When the Going Gets Tough*

Personal and Business Finance

Budgeting and Money Management
 Credit Repair Workshop
 Financial Literacy
 Smart Money
 Bank on It
 Borrowing Basics
 Charge it Right
 Check it Out
 Keep it Safe
 Loan to Own
 Money Matters
 Pay Yourself First
 To Your Credit
 Your Own Home
 Tax Preparation

Child and Program Development

ADHD: The Static and the Radio*
 Alike: Author Study*
 All that Glitters*
 And You Thought it Was Clean*
 Asthma*
 The Basics of Nutrition
 Benefits of Observation and Recording Children's Behavior
 Beyond What Your Eye Can See*
 Brain Power: How Do Children Think
 Building Self-Esteem: Developing a Child's Portfolio
 By Leaps and Bounds: Preschool and School-age Children's Growth and Development*
 Child Abuse & Maltreatment: Identification and Prevention
 Child Abuse & Maltreatment: SID and SBS
 Childhood Stress*
 Children and Self-Esteem
 Children with Special Needs:
 Developing Policies
 How Children Grow
 Federal Laws, IDEA
 Laying the Foundation
 A Closer Look at the Bully, Victim and Bystander*
 Cornell 15-hour Nutritional Program
 Count Me In*
 Creating Learning Centers in Home-based Settings
 Creating/Promoting Creativity
 Creating a Safe Haven for Children in Your Program*
 Creative Activities: How to Structure for Success*
 CUNY's Creative Arts Team
 Daddy Doesn't Live Here Anymore: Helping Children Deal with Divorce*
 Designing Infant/Toddler Curriculum*
 The Development of Infants: "I" is for Infant*
 The Development of Toddler: "T" is for Toddler*

Appendix B: Training Workshops and Classes for Network Members

Child and Program Development (continued)

Discovering Great Artists: Bringing the Masters to Your Program*
 Early Beginnings to a Healthy Lifestyle*
 Early Intervention
 Emergency Planning
 Everyday Science*
 Fostering Resiliency in Children*
 Great Food, Great Fun: Cooking with Young Children*
 Guiding Children's Behaviors
 Health and Safety
 How Does the Brain Read Words?*
 How to Be More Concrete Than "Good Job"*
 I Can Stop When I Want To: The Link Between Self-Control and Self-Esteem*
 Infection Control
 "It Hurts!" The Truth About Pain*
 Jan Brett: Author Study*
 Keeping Babies Safe*
 Lending Library Golden Hour
 Managing Challenging Behavior*
 Managing Crises in Your Program*
 Mandated Reporter's Guide to Identification and Prevention of Brain-Related Injuries*
 Math: What's Play Got to Do With It?*
 Maurice Sendak*
 Medication Administration and Certification*
 Nutrition and Health Needs of Children
 Out and About: More Than Swings and Slides*
 Planning Curriculum
 Playing it Safe: Summer Safety*
 Prevent and Protect*
 Principles of Early Childhood
 Promoting Literacy in Your Program*
 Read it Again*
 Recognizing Behavior Patterns in Young Children*
 Safety and Security Procedures, including Communication between Parents and Staff
 Smart Food: Building Powerful Brains*
 Solving Problems: Communicating to Find Solutions
 Songs, Laughter and the Written Word*
 SPARK Training
 Statutes and Regulations Pertaining to Childcare
 Stress Management Workshop

Talk-Read-Reach: Early Literacy Training
 Teacher-made Materials
 Teaching Personal Safety Skills*
 Teaching Reading
 Toddler Training Orientation
 What is a Toddler Like?
 Good Programs for Toddlers
 Staying Healthy
 Toilet Learning
 Communication
 The Very Hungry Cat in the Hat*
 Time Out: Learning to Relax*
 Understanding Children's Friendships*
 Weaving Wonderful Tales*
 Why Did this Happen? Talking to Children about Grief and Loss*
 WNET American Family Literacy Program
 WNET Ready to Learn Workshop

Child and Adult Care Food Program

Eat Well, Play Hard
 Family-style Eating
 Food Handling
 How to Plan a Nutrition Care Activity
 Integrity Workshop
 Menu Planning
 Record Keeping