

# Lessons from the Child Care Providers

By Hedy M. Ratner • Photography by Dorothy Perry

The economic downturn has had a domino effect on the owners of child care businesses.

Often, parents who've been laid off simply can't afford to pay for child care while they look for another job. As a result, child care businesses are struggling to find new clients and make ends meet.

Dianira Ulin always had a waiting list for her child care center, Little Stars Home Day Care, in Chicago, which is licensed to accommodate 16 children. In February, three children in her care had to leave because their parents were laid off. She posted a sign in the front yard – a tactic that's always worked in the past – but she's had no calls. "It's very unusual," she says.

Patricia Makris, executive director of The Children's Center, says that when people lose their jobs, they're likely to lose the state subsidy they received for child care, and without it, they simply don't have money for tuition. Patricia says her clients are finding they have to find new ways of marketing to stay 100 percent filled. "One of the first things we suggest they consider is what kind of flexible hours they can offer," she states. If they've operated from 8AM to 6PM, now may be the time to extend hours or open earlier in the day.

"There's a big emphasis in the industry to provide educational opportunities in day care so that children who arrive at kindergarten are ready to learn," Patricia adds. A college education can prepare the child care provider for the next step in their business development. It can also lead to accreditation from the National Association for Family Child Care, an important credential that can be marketed to help increase fees.

Cost-cutting is another way child care providers can maintain a balanced budget. The Children's Center urges their clients to take special care of existing toys and materials used for arts and crafts. "They can contact people who may be going out of business to obtain supplies like letterhead, then use the reverse side for art projects. Kids won't care," she says. "Existing businesses may be willing to donate certain services such as photocopying or laminating."

Then there's the business of fee collections. Ah, yes. How do you get someone to pay in a timely fashion? "You have to put the alarm on once a client has missed a payment," Patricia states. "Some providers have let collections slide and are in arrears hundreds of dollars. It's a recipe for failure."

Deneen Grover is one of the savvier child care providers you'll meet. She owns Chicago Preschool Academy, a center with a capacity for 37 kids located in Chicago's Chatham neighborhood. "Families at all economic levels have been affected," she says. The downturn has affected her business as well.

To stay at 100 percent capacity, she launched a program she calls "Child Share," where parents can get part-time care by sharing a time slot. She's also found a way to cut food costs. "We're required to serve nutritious food, yet food costs are really expensive," she says. "Instead of serving fresh broccoli, for example, we now offer a



Deneen Grover, owner of Chicago Preschool Academy

vegetable medley. It's less expensive to add cauliflower and carrots to the mix, but the kids are still getting their vegetables."

Deneen has also enhanced their educational program offerings by investing in professional instruction to teach Tai Kwando to five-year-olds. "There's no kicking in this course," she says. "Instead, we emphasize structure and discipline and the meditative aspects of the sport."

She held a demonstration for parents where the kids showed what they had learned, with the hope that parents may be willing to pay an additional fee for the instruction. "The fee part is on hold for now," she says.

When it comes to timely payments, Deneen admits some parents have fallen behind. "Even with the state subsidy, co-pays are expensive for many parents," she says. "I have a relationship with my clients, so I do my best to let them pay when they can – as long as it doesn't affect our overall business." She hasn't had to let any employees go – yet. "We'll see what the future brings," she says, "but I'm hopeful that we'll be alright."

Hedy M. Ratner is co-president, with Carol Dougal, of the Women's Business Development Center, which offers a Child Care Business Initiative that provides child care business owners with workshops, loan packaging assistance and business counseling. For information about the center's entrepreneurial workshops and services, visit [www.wbdc.org](http://www.wbdc.org).

For details about the Women's Business Development Center's 11th Annual Childcare Expo, taking place Saturday, May 16 at the Chicago Hilton & Towers, visit [www.TCWmag.com](http://www.TCWmag.com), or contact the WBDC at [www.wbdc.org](http://www.wbdc.org).