

Healthy business and creative partnerships strengthen quality early care and education

by Heidi H. Schlueter

“My dream is to create a national model that breaks the generational cycle of poverty. If all of us come together to fight the most devastating disease facing children in the United States — poverty — we will create a model that works. I believe that First Children’s Finance is an important part of the prescription.”

These are the words of Dr. Marcella Wilson, president and CEO of Matrix Human Services in the heart of southwest Detroit. First Children’s Finance is a national nonprofit organization located in Minneapolis, Minnesota, whose work strives to break the cycle of poverty, starting with those who care for and educate our nation’s youngest citizens — child care businesses. First Children’s Finance asks the question: How do we talk about providing quality child care to children who need it most unless child care businesses are financially sound? Furthermore, quality care requires creative partnerships, and healthy businesses are required to make effective partners.

In my work as the director of state operations and development for First Children’s Finance, I have had the great fortune to meet with some extremely resourceful early childhood leaders across the country. Recently, I traveled to

Detroit to visit child care center directors and a wonderful group of partners whose work to improve their business practices has resulted in creative solutions for higher quality and accessibility for the children and families in their communities.

The individuals in this article are participants in First Children’s Finance’s signature program, the Growth Fund, which is available in Detroit thanks to funding by the W. K. Kellogg, Skillman, and Kresge foundations. The purpose of the Growth Fund program is to address child care centers’ key business issues. Over two and a half years, each center undergoes a business assessment, writes a business plan, and, upon approval, First Children’s Finance invests in implementation of their plan. The investments of time and resources help the centers address business issues and barriers that may block their long-term quality, growth, and sustainability. Business consultants specializing in child care provide technical assistance throughout the process.

Volunteer involvement is one of the Growth Fund’s most important features. Local business and early care and education leaders are trained to be Growth Fund advisors. As experts in

their respective fields, these volunteers contribute their talents to recommend selection of participants, offer advice on the business plans, recommend approval and advise the programs during plan implementation. At the end of each year, the child care businesses make presentations to the Growth Fund advisors and there is much cause for celebration. Over the years, programs have made strides in their business strength, enrollment, and quality, and the volunteer community leaders have learned to value child care as an indispensable asset to their community.

My first visit was to Shirley Wright-Haley, director of Little Scholars Child Development Center and a participant in the Growth Fund in Detroit. Shirley had spent hours trying to prepare spreadsheets for her child care business. Shirley contacted Camarrah Morgan, the business development specialist working with her on the Growth Fund, and after a few hours of consulting, using proper business tools, Shirley felt empowered. “It’s making my job easier. I was going crazy and now I feel like I could be a financial consultant!”

Shirley was proud to learn that her center had earned a Level 3 in the Quality Rating Improvement System pilot,



and toddlers. She had applied for Early Head Start funding, but was turned down. Vistas Nuevas had built numerous partnerships in the area with family child care providers who offered infant and toddler care, but one question still remained: How could they partner to provide one central location for quality infant, toddler, and preschool care?

Susan Hooks-Brown, a

community organizer who was working closely with local family child care providers, suggested a creative idea: Have a family child care provider who is established in the community use space available in the Matrix Vistas Nuevas facility to open a business offering infant and toddler care. The two business entities, Head Start and the new infant/toddler center, could remain separate, but the outcome would be a partnership providing convenient, high-quality child care for the parents of multiple-age children. Dr. Wilson and the leadership staff at Matrix loved the idea.

Katherine (Kathy) Tuggle, is the family child care provider who was invited to participate in the project. Kathy had worked as a family child care provider since 1998 and fondly referred to the children as her family. Kathy said she had been very interested in the project from the start. Most recently, Kathy went through the process of having her busi-

ness incorporated as Angel Wings' Child Care Learning Center, LLC, and is planning to operate it as a licensed center.

Despite her passion for the children and this project, Kathy had reservations. One of the biggest challenges was seeing herself as a 'business' and addressing the business issues. "This project has been instrumental in helping me to see myself as a business and now I know that this is where I want to be. I am contributing to society and I love it."

In March, Kathy had her grand Open House. Excitement, support, and, most of all, hope for the children of Detroit filled the air. Kathy and her partners look forward to starting soon with the 12 infants and toddlers, and 18 latchkey children.

Monica Duncan, Michigan director for First Children's Finance, commented on what an honor it has been to work with these women and watch this project and Kathy's new business grow. Monica explained that she has met with the partners regularly and has found, "They addressed business issues from the development of a budget and decisions about hiring staff, to insurance and ownership of equipment. They conducted a financial break-even analysis by classroom. One of the most important pieces was the management contract, spelling out all agreements between Matrix and Angel Wings'. They are still working on marketing and the web site." Monica reflected that the work this team has done on the business side of the partnership has been so critical to ensuring that this program will thrive for many years and continue to serve the children and families in need.

But this project is only a start. Dr. Wilson wants to serve more children in more communities and cure this disease of poverty. She hopes this project can be a model for other communities in and beyond Detroit. Jerry Cutts, president

which, in turn, enabled her to receive funds from Great Start Collaborative-Wayne to purchase new child-sized toilets. She is now preparing to expand her summer and enrichment programs to include drama and music. She says, "I had a vision. If you go into this business, you can help children and parents." Shirley soon realized there was so much more to the business of child care: "Now, I want a high-quality rating. I want to be the best. Enrollment has started to pick up. First Children's Finance showed up and gave me hope."

My second visit was to Matrix Human Services (Matrix). Debra Spring, vice president of education programming at Matrix and director of Vistas Nuevas Head Start, serves 1,472 Head Start children in Detroit, mostly children from low-income and non-English-speaking families. Over the last several years, Debra's program had been trying to expand services to families with infants

and CEO of First Children's Finance, is thrilled that Dr. Wilson's agency, a major provider of innovative and effective services in Detroit, is connecting the dots between high-quality child development services and breaking the cycle of poverty. Jerry sees the Detroit stories and the many other dramatic success stories heard from partners across the country as examples of what is possible when communities build public-private partnerships to invest in children and families:

"Right now, we are launching a new initiative in Detroit that combines early education, health care, parent education, and economic development. This is within the grasp of communities. What communities need are the facts, a business plan that involves building public and private partnerships on behalf of families, and a sound investment strategy. The radical idea is that communities

have many of the resources needed to help families with young children break the cycle of poverty. What they need to do is to figure out how to target their investments in families effectively and prevention is the key. Effective investments now will prevent communities from spending money later on repairing the damage. How to do this most efficiently and effectively is what we are working on at First Children's Finance. Our experience is that dramatic results occur when we engage business leaders and early care and education experts to bring more resources and strategies to the business of child care."

For directors seeking help on business issues, the First Children's Finance web site offers free business tools and resources, and new resources continue to be added all the time: resources on marketing, finance, board governance, fundraising, personnel management, facilities, playgrounds, leadership, partnerships and technology. The website lists our local and national trainings and webinars. First Children's Finance offers financing through our facility loan fund, other investments and business technical assistance in nine states.

For more information about these and other programs serving child care businesses, go to www.firstchildrensfinance.org.

Prior to joining First Children's Finance, Heidi Schlueter worked in the field of early care and education for over 25 years as a family provider, teacher, program manager, small center director and Head Start/Early Head Start director. Heidi has a bachelor's degree in Economics and a master's degree in Education, with an Early Childhood emphasis.

