

# MME 2024 Summer Workshop



Michigan  
Municipal  
Executives

## **A Municipal Roadmap: Strategies to support a thriving childcare sector**

Kathy Szenda Wilson, Co-Executive Director, Pulse

Laura Lam, Chief Operating Officer, City of Kalamazoo



# LAURA LAM

Chief Operating Officer

City of Kalamazoo

Laura Lam worked as a community organizer in Chicago for two years and spent eight years working for the City of San Jose, focused on a large-scale community revitalization strategy. Laura started with the City of Kalamazoo in 2009 and has held the roles of Community Development Manager, Director of Community Planning and Development, Assistant City Manager and Deputy City Manager before becoming Chief Operating Officer in 2022.



# **KATHY SZENDA WILSON**

**Founder & Co-Executive Director, Pulse**

**WE Upjohn Institute for Employment Research**

**Kathy Szenda Wilson has invested more than 20 years in systems building within philanthropy and community development to improve the lives of children and their families. She founded and co-leads Pulse, an early childhood systems change organization dedicated to improving child and family outcomes. In 2020 she was elected and served one term as Battle Creek's Ward 4 City Commissioner, where she advocated on behalf of children and families within her district. She is an accomplished facilitator, coach, storyteller, and trainer. Her trademark empathy and ability to synthesize and weave together ideas and experiences help systems, organizations and individuals surface their best ideas and move forward toward their goals.**

# A MUNICIPAL ROADMAP

strategies to support  
a thriving child care sector

# Agenda

## Childcare 101

Why and how the state decided to address the crisis

What we're doing about it in Region 8

Development of a municipal workshop highlighting opportunities

Real time opportunities: RRC, zoning reviews & recommendations, Tri-share

Development of a municipal roadmap

# CHILDCARE 101

**Definitions**

**Myths**

**Realities**

# Types of Child Care

**Licensed Center:** A licensed center-based setting usually with multiple classrooms, including childcare, preschool, cooperative, Early Head Start, Head Start & Great Start Readiness Programs.

**Licensed Family Home:** A licensed home-based setting for up to 7 children.

**Licensed Group Home:** A licensed home-based setting for up to 14 children.

**School-Age Only Care:** A center-based program licensed to only serve children ages 4 years 9 months to 12 years.

**License-Exempt Providers:** are related & unrelated, provide care in their home or the child's & cannot care for more than 6 children at a time.

**Friend, Family & Neighbor:** Anyone who provides care for children of any age for parents. They are not regulated by the state & *can* be considered illegal care.

# MYTHS ABOUT CHILDCARE

1. Nobody wants to work anymore
2. Childcare is so expensive, these folks must be rolling in it
3. Childcare isn't my problem, I don't have kids



# MYTH #1:

people just don't want to work anymore

# THE REALITY:

The cost of childcare makes it unaffordable for many who want to work to do so.

There is a huge gap between the care that is needed and the care that is available.

HOW CHILDCARE IMPACTS  
MICHIGAN'S WORKFORCE  
PRODUCTIVITY AND THE  
STATE ECONOMY



U.S. Chamber of Commerce  
Foundation

Untapped  
Potential in

**MI**



INTRODUCTION

**Michigan ranks  
39<sup>th</sup> in labor force  
participation  
relative to other  
states, and our  
findings indicate  
many parents  
may not be able to  
continue working  
without adequate  
childcare options.**

UNTAPPED POTENTIAL IN MICHIGAN

# MYTH #2:

Childcare is so expensive, these folks must be rolling in it

# THE REALITY (1):

Most childcare operators don't make a lot of money; profit margins in the industry are razor thin – typically less than 1%.

(source: Hardly Child's Play)

# The Child Care Crisis is a Labor Crisis

WHEN CHILD CARE WORKS, WE ALL WORK

## Families Can't Afford to Pay

It is recommended that families pay **no more than 7%** of their income for child care. Most families pay much more than that.

In Michigan, single-income families pay an average of



of their household income on infant care

### Average annual tuition rates

- \$10,870 per infant
- \$10,374 per toddler
- \$8,959 per preschooler



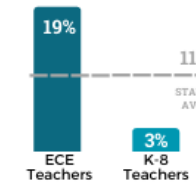
## Teachers Can't Afford to Stay

Despite being a crucial support for working families, child care providers are **some of the lowest-paid workers** in Michigan.

### SIMILAR MEDIAN HOURLY WAGES

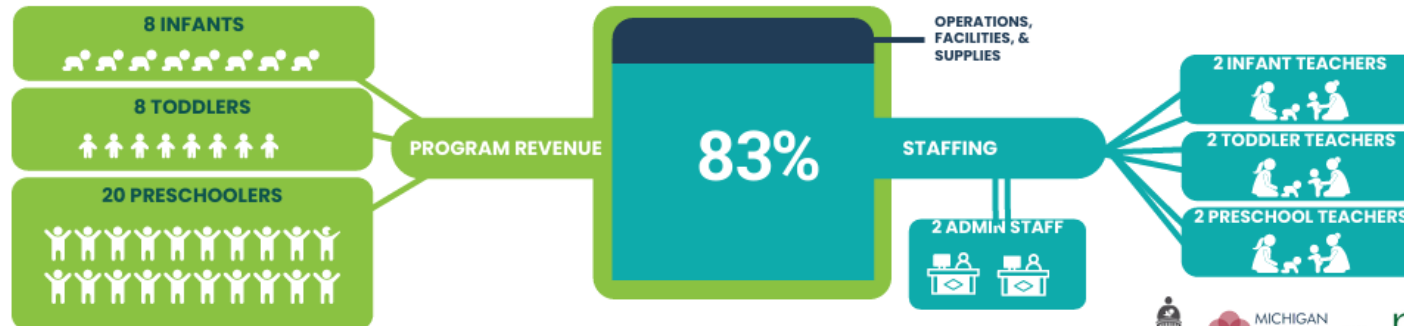
Coatroom Attendants	\$11.34
Fast Food Workers	\$11.38
Child Care Teachers	\$11.54
Parking Attendants	\$11.72
Dishwashers	\$11.85

### POVERTY RATES IN MICHIGAN

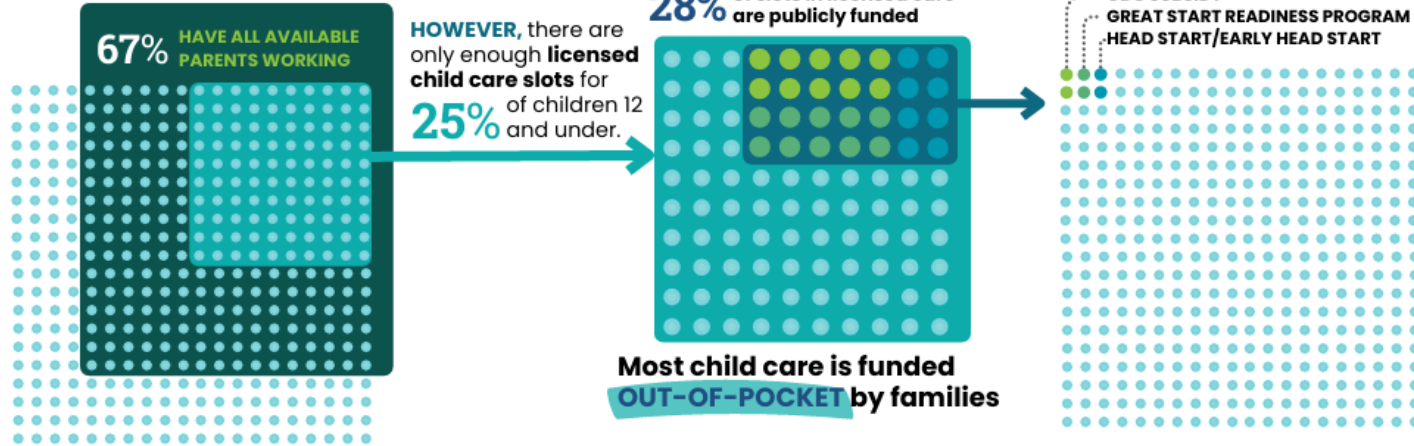


### Average teacher salary

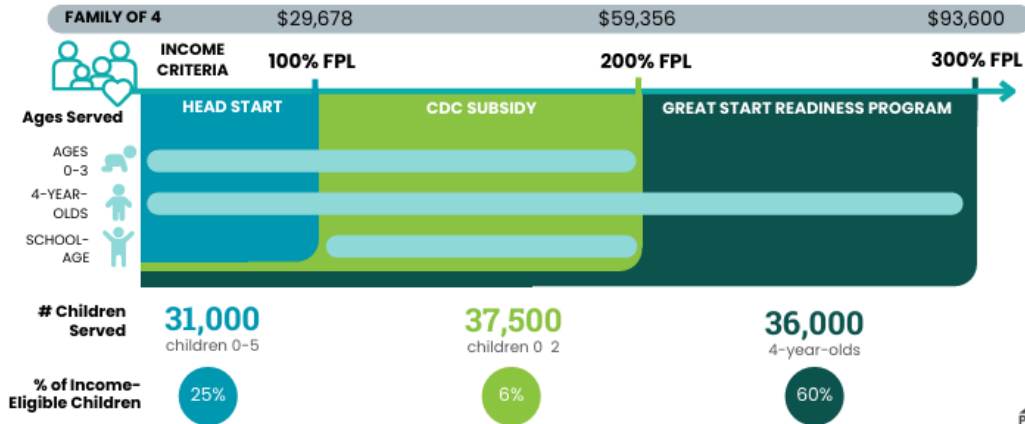
\$26,680 per year



THERE ARE **1.5 MILLION** CHILDREN AGES 12 AND UNDER IN MICHIGAN.



WHO IS **ELIGIBLE** FOR PUBLICLY FUNDED CHILD CARE?



This means **6%** that only **6%** of the **1.5 MILLION** children ages 12 and under have support available to their families to offset the cost of child care.



# MYTH #2:

Childcare is so expensive, these folks must be rolling in it

# THE REALITY (2):

Most childcare operators don't make a lot of money; profit margins in the industry are razor thin – typically less than 1%.

(source: Hardly Child's Play)

# The High Cost of Low Pay: A Shrinking Workforce

When accounting for inflation, most roles in early care and education have actually seen significant declines in their wages since 2005, a period when pay for other occupations has risen.



34.4%

Region 5's ECE workforce has decreased by 34.4% from 2001 to 2022, representing

1,630

fewer early educators across Region 5

Balancing  
THE Scales



# MYTH #3:

Childcare isn't my problem, I don't have kids

# THE REALITY:

A lack of childcare costs us all: Productivity at work (of teammates), lack of innovation when folks aren't in the labor force, costs to care for adults who did not have supportive early life experiences.



**- \$2.88B**

The Untapped Potential:  
Childcare issues result in an  
estimated \$2.88 billion annual  
loss for Michigan's economy

**- \$576M**

Michigan misses an estimated  
\$576 million annually in tax  
revenue due to childcare issues

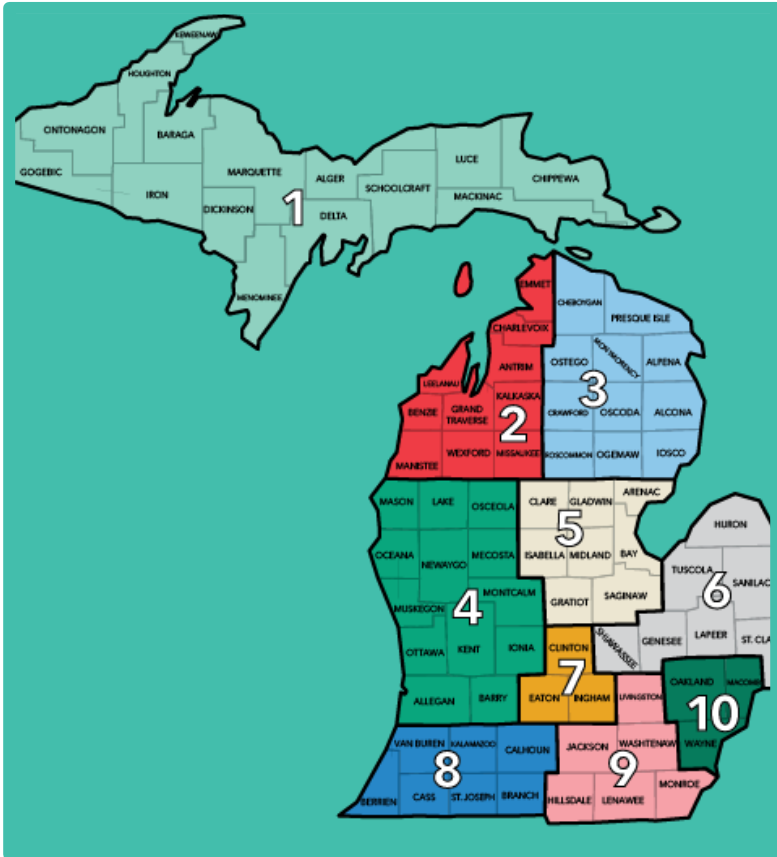
**- \$2.3B**

Childcare-related employee turnover and  
absenteeism costs Michigan employers an  
estimated \$2.3 billion per year

# MICHIGAN'S RESPONSE

## Regional Planning Coalitions Regional Child Care Plans

**Cross-agency, cross-sector  
approach to addressing the child  
care crisis**



# the Pulse of Systems Change

*changing the systems that hold problems in place*

What's the problem?  
*define your cause & develop your boundaries*

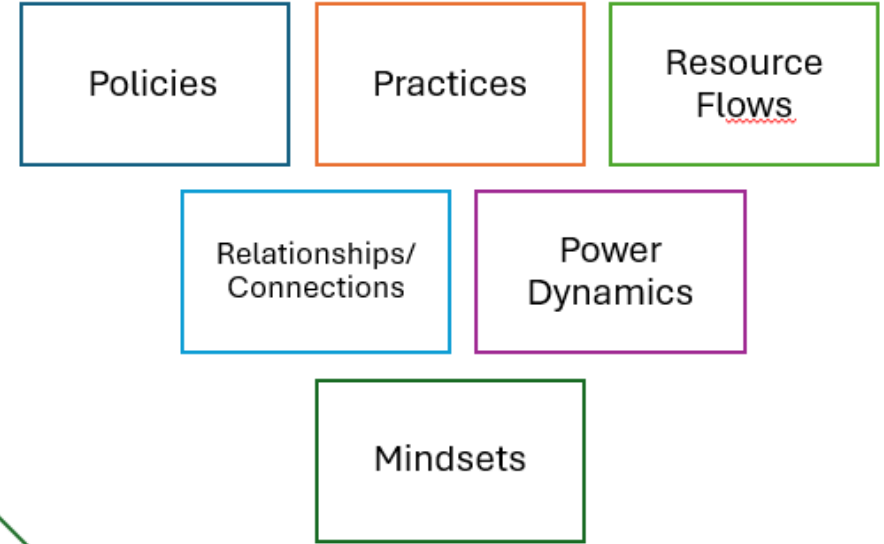
Why does it exist?  
*get curious, gather data*

Why does it exist here?  
*know your landscape*

Why does it exist now?  
*what is the current environment?*

Filter the knowledge gained through a systems lens.  
Which **system conditions** might be at play?

## system conditions



## putting it to work:



# REAL-TIME OPPORTUNITIES

1. Assessing current municipal childcare experiences
2. Embedding childcare into state-level frameworks:  
Redevelopment Ready Communities: A Child Care Toolkit
3. Kalamazoo's Tri-Share Innovation
4. Zoning Reviews & Recommendations

# OCTOBER 2023 REGION 8 MUNICIPAL LEADER (virtual) WORKSHOP



## EXPLORING WHAT'S POSSIBLE

On 10.3.23, sixteen municipal leaders from across Michigan's Region 8 gathered to learn and explore. They were presented with a series of potential strategies along with examples locally and beyond. Below are their responses to possibilities.

1

### PROVIDE INFO ABOUT AVAILABLE CARE

- 100% of respondents would consider doing this

2

### BUILD THE SUPPLY OF CHILD CARE

- 13% are currently doing something about this
- 75% of respondents would consider doing this
- 12% don't know

3

### REVIEW ZONING REGULATIONS

- 37% of respondents are already doing this
- 63% would consider doing this

4

### DEVELOP CREATIVE PARTNERSHIPS TO FILL GAPS

- <1% are currently doing this
- 80% would consider doing this
- 13% don't know

5

### ADDRESS TRANSPORTATION BARRIERS

- <1% are currently doing this
- 57% would consider doing this
- <1% say it's not an option
- 13% don't know

6

### MAKE CHILD CARE MORE AFFORDABLE

- <1% are already doing this
- 60% would consider doing something about this
- 2% say it's not an option
- 13% don't know

7

### ADDRESS EARLY CHILDHOOD WORKFORCE CHALLENGES

- 53% would consider doing something about this
- 20% say it's not an option
- 27% don't know

WHEN EARLY CHILDHOOD WORKS, WE ALL WORK

## RECOMMENDATIONS:

Opportunities exist to create collective learning opportunities to support the implementation of many of these strategies. The level of interest in "considering" particular strategies suggests that support will be needed to move to action.

Strategic partnerships with our State partners (MEDC, MML) are worth exploring to co-develop such an implementation infrastructure.

Consider adding a new strategy that highlights the role municipalities play as employers, supporting their efforts to understand their workforce's challenges related to childcare and to create strategies to address those challenges.

## PARTICIPANTS:

Battle Creek | Calhoun (County) | Cassopolis  
Kalamazoo | Marshall | New Buffalo | Parchment  
Quincy | Sturgis | Three Oaks  
Michigan Economic Development Corporation  
Michigan Municipal League | Employer Resource Network

facilitated by: Pulse & the WE Upjohn Institute



# MUNICIPALITIES AS EMPLOYERS

## Our landmark study makes the case for child care benefits



BCG conducted a study with five companies to establish the financial impact

We saw a range of returns; **all were positive**, ranging up to

**425%<sup>ROI</sup>**

**JUST 1%**

**Retaining as few as just 1%** of eligible employees can cover the cost of benefits

These benefits **pay for themselves**

Because of child care benefits...



**86%**

**Recruitment and Retention**

Up to **86%** of working parents **are more likely to stay with their employer**



**78%**

**Career Progression**

Up to **78%** of working parents report **positive career impacts**



**16**

**Productivity and Presence**

Working parents avoid **up to 16 absences each year**



**Job Satisfaction**

Clear improvements to **company culture, morale, and goodwill**

BCG surveyed hundreds of employees and spoke with dozens of working parents enrolled in a variety of benefits programs



# Michigan Economic Development Corporation's Redevelopment Ready Community Certification

Redevelopment Ready Communities® (RRC) is a voluntary technical assistance initiative offered through the Michigan Economic Development Corporation (MEDC) which empowers communities to shape their future by building a foundation of planning, zoning, and economic development best practices and integrating them into their everyday functions.



## RRC Certified Communities

RRC Certified communities offer a transparent, predictable, and efficient development experience. Check out opportunities in our Certified communities by clicking the logo.



# DISRUPTERS

**If we want better outcomes, we must change the systems that hold problems in place.**





**MICHIGAN ECONOMIC  
DEVELOPMENT CORPORATION**

## RRC Child Care Readiness - **GOAL**

Research & Develop a supplemental Best Practices Guidebook for child care readiness to be leveraged by community planners, municipal community development professionals, local elected and appointed officials, and other municipal staff and stakeholders involved in childcare planning and development.

## Consultants - **McKenna + Michigan Association of Planning**

- Deep planning + zoning expertise throughout Michigan
- Well versed in state regulations (LARA) related to child care
- 2023 partnership w/Macomb County Child Care Coalition
- Connections w/over 4,000 planners + local officials who will implement the BPs and rely on MP for ongoing training/education



**MICHIGAN ECONOMIC**  
DEVELOPMENT CORPORATION

## Project Scope

- Literature Review | Best Practice Research
- Steering Committee Collaboration + Feedback Loops
- Best Practices & Supplemental Resource Development

Timeline: Summer/Fall 2024

## Deliverables

- Child Care Readiness Best Practices Guidebook
- One-Page Fact Sheets
- Community Engagement & Communication Strategy
- Webinar Development & Launch
- State Conference Presentation & Promotion

# Kalamazoo's Tri-Share Innovation

- \$195,000 to Southwest Childcare Resources, Inc. for 3-year program
- Support up to 12 children from designated neighborhoods
- City's contribution will pay 1/3 of families' childcare expenses (State and family to pay 2/3 of the cost)
- Support at least 6 childcare providers to support families in the Tri-Share program
- 6 families will also receive support and training over 3-year period

# Zoning Reviews & Recommendations



- 63% of Region 8's responding municipalities said they'd consider reviewing their zoning policies to improve opportunities to build childcare supply.
- Engaged McKenna + Michigan Associates to provide review & recommendation services to interested municipalities

# **Pulse's Municipal Roadmap: When Early Childhood Works, We All Work**



under construction  
completion date: August 2024

**Q + A**

# CONTACT US

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