



# First Children's Finance

## Dream Up! Grant Summary

Indianhead Community Action Agency

Rusk County, WI

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**Created by:**

Kari Stattelman

Business Development Consultant

[KariS@firstchildrensfinance.org](mailto:KariS@firstchildrensfinance.org)

Amy Arena

Business Development Specialist

[AmyA@firstchildrensfinance.org](mailto:AmyA@firstchildrensfinance.org)

Angie De Los Santos

Business Development Specialist

[AngieDLS@firstchildrensfinance.org](mailto:AngieDLS@firstchildrensfinance.org)

# Table of Contents

<b>Strategic Supply Planning</b> .....	<b>1</b>
<b>Core Team</b> .....	<b>3</b>
<b>Community Insights</b> .....	<b>4</b>
<b>Supply Demand Gap Analysis</b> .....	<b>5</b>
<b>Quality Rating and Improvement System Overview</b> .....	<b>6</b>
<b>Workforce</b> .....	<b>7</b>
<b>Data Overview</b> .....	<b>8</b>
<b>Core Team Planning Meeting</b> .....	<b>9</b>
<b>Goals</b> .....	<b>10</b>
<b>Project Recommendations</b> .....	<b>11</b>
<b>References</b> .....	<b>12</b>

## Strategic Supply Planning

The Strategic Child Care Supply Planning Process is a facilitated community planning process designed to engage a Core Team of community leaders to support and expand the child care capacity in their community. First Children’s Finance works with the Core Team to understand the current child care landscape and create goals to address child care needs.

This program was made possible by Grant Number 90TP007601 from the Office of Child Care, Administration for Children and Families, U.S. Department of Health and Human Services. Its contents are solely the responsibility of the authors and do not necessarily represent the official views of the Office of Child Care, the Administration for Children and Families, or the U.S. Department of Health and Human Services.



# Background

## Indianhead Community Action Agency, Rusk County

Indianhead Community Action Agency (ICAA) was selected to engage in community consultations around the supply of child care through the Dream Up! Child Care Strategic Supply Planning Process. Funding for this work is provided by a *Preschool Development Grant* received by the Wisconsin Department of Children and Families. A Core Team led by Jennifer Shearer at Indianhead Community Action Agency participated in a process that included the following:



- 8 hours of facilitated meetings by First Children’s Finance National Team Staff
- Identification of goals to increase high-quality child care slots
- Planning support, facilitation, and technical assistance from First Children’s Finance
- A Strategic Child Care Supply Plan that guides Indianhead Community Action Agency to increase its supply of high-quality child care.

# Community Information

Figure 1: Defined Community Zip Codes | Community Application

Cities	Zip Codes
Village of Ingram	54526
Village of Hawkins	54530
Village of Glen Flora	54563
Village of Tony	54563
Village of Conrath	54731
Village of Sheldon	54766
Village of Bruce	54819
Ladysmith	54848
Village of Weyerhaeuser	54895

Indianhead Community Action Agency (ICAA) is located in the Western Region of Wisconsin. They applied for the Dream Up! Strategic Supply Planning Process and were awarded participation with the Spring Dream Up! Strategic Supply Plan Cohort. Each application included a geographic region the Core Team planned to focus on, referred to as ‘the community’. Indianhead Community Action Agency included the zip codes and corresponding communities listed in Figure 1 as their geographic region and defined community.

## Core Team

The following people participated in the Core Team meetings to address the child care supply needs in Rusk County. The primary contact for this project is the Core Team lead, Jennifer Shearer, CEO of Indianhead Community Action Agency.

Name	Organizational Affiliation
<b>Core Team Lead:</b> Jennifer Shearer	Chief Executive Officer (CEO)— Indianhead Community Action Agency
<b>Core Team:</b>	
Al Christianson, Jr.	City Administrator—City of Ladysmith
David Willingham	Board Chair—Rusk County Board of Directors
Andy Albarado	Director—Rusk County Economic Development Corporation
Jeff Euclide	Chief Executive Officer (CEO) – Marshfield Medical Center—Ladysmith
Sue Rynda	Home Visiting Specialist—Indianhead Community Action Agency Home Visiting Program
Michelle Stout	Community Services Director—Community Development Institute Head Start
Heidi Eckert	Program Director—Community Development Institute Head Start
Anna Ringstad	Board Member—Rusk County Chamber of Commerce
Christine Newkirk	Director of Ecclesial Ministries & Diocesan Consultation
Rebecca Pehlke	Marshfield Clinic Health Services
Jen Petras	Program Coordinator—Indianhead Community Action Agency Family Home Visiting
Dave Wierzba	Regional Economic Development Director—NW Wisconsin
Lauren Zach	Indianhead Community Action Agency
Bobbi Jo Vojtasek	Director of Tender Learning Center
Luke Krumehauer	Board member and parent at Tender Learning Center

## Community Insights

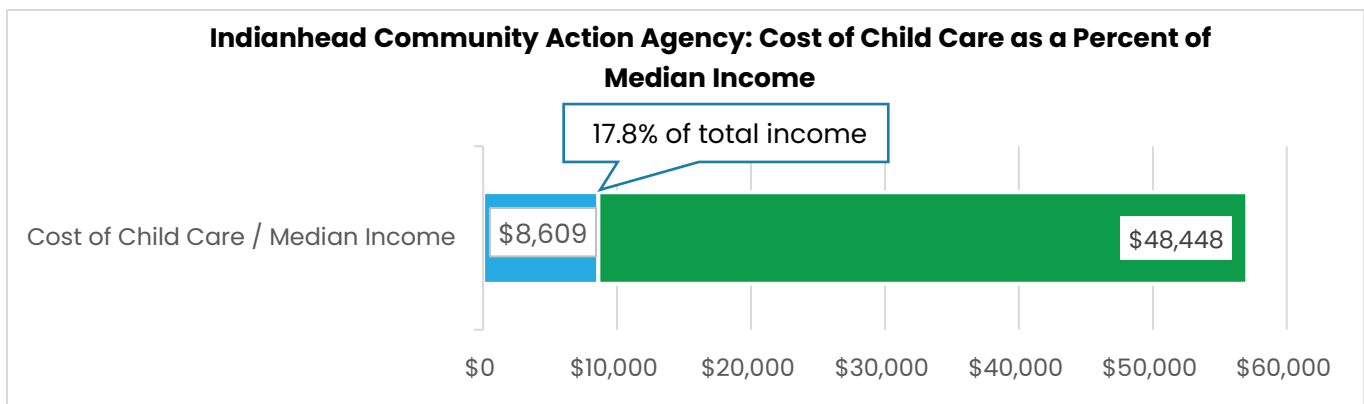
Research conducted by the Core Team was provided as part of the application process. First Children's Finance provided additional research and statistics regarding child care needs and sustainable child care solutions. As a result, the Core Team was able to understand their community's child care challenges better. Through surveys that the ICAA conducted within the community, they found four significant considerations that impact child care availability.

- 1.) *Child care is expensive for an area that has high levels of poverty. It is more affordable for one parent to stay at home to care for their child versus paying upwards of \$200 a week for child care.*
- 2.) *There is a lack of overall child care providers, which leads to service gaps for the region. This has caused parents in need to start searching for alternatives to... centers listed in this application.*
- 3.) *There are very few child care providers that can accommodate the schedule of a parent who works a second or third shift job.*
- 4.) *There are many transportation barriers in rural Wisconsin... but busses won't take children to a child care provider if it is out of their general route.*

\*Excerpt from Dream Up! Application

Rusk County is considered a semi-rural area and is home to 14,123 individuals. The median household income is \$48,961, with 11.55% of the population living in poverty. According to research completed for their application, the average cost of child care is between \$180 and \$241 per week. According to the Wisconsin Department of Children and Families Preschool Development Grant Sandbox Data, 17.8% of a family's income is spent on child care. In Figure 2 data from the PDG Sandbox shows that in Rusk County, a family with a child aged 0-1 receiving care in a licensed group child care will pay 2.5 times the affordable amount. The federal government defines affordable care as no more than 7% of a family's yearly income spent on child care.

Figure 2: Rusk County Cost of Care and Median Income | Wisconsin PDG Sandbox Data



## Supply Demand Gap Analysis

As part of the Strategic Supply Planning Process, the Core Team was provided with information to help them understand factors that contribute to child care challenges. First Children’s Finance leveraged different data sources to create an illustrative picture of the child care capacity in the local area (see Figure 3). These data sources include US Census Information, Wisconsin’s Department of Children and Families Data, and First Children’s Finance research and calculations.

First Children’s Finance conducted a Supply Demand Gap Analysis which provided a view of potential child care slots needed. The analysis was conducted in May of 2022 and showed a deficit of 460 slots within the defined community (see Figure 3). In addition, results showed multiple zip codes within the defined community with zero child care slots available.

Zip Code	City	Licensed Family Child Care	Licensed Group Child Care	Certified Family Child Care	Expected Child Care Capacity	Expected Children Under Age 5	Expected Child Care Need
54819	Village of Bruce	0	0	0	0	96	<b>96</b>
54731	Village of Conrath	0	0	0	0	18	<b>18</b>
54563	Village of Glen Flora	0	0	0	0	60	<b>60</b>
54530	Village of Hawkins	0	0	0	0	14	<b>14</b>
54526	Village of Ingram	0	0	0	0	21	<b>21</b>
54848	Ladysmith	1	1	0	62	197	<b>135</b>
54766	Village of Sheldon	0	0	0	0	45	<b>45</b>
54563	Village of Tony	0	0	1	5	60	<b>55</b>
54895	Village of Weyerhaeuser	0	0	0	0	16	<b>16</b>
Total		1	1	1	67	527	<b>460</b>

Figure 4: Rusk County Supply Demand Gap Analysis | FCF Calculation

## How is the Need Supported Today?

When there is a gap in the licensed and regulated child care slots available in a community compared to the children potentially needing care in the community, families find unique ways to meet their needs outside of licensed or regulated child care. The following are common ways parents may fill their need for child care and how children may be cared for in Indianhead Community Action Agency's community.

### **Legal Unlicensed (unregistered) Care / Family, Friends, & Neighbors**

Friends, family, and neighbors may provide care for up to three (3) children without a license; however, under Wisconsin law, no person may provide care and supervision for four (4) or more children under the age of seven (7) for less than 24 hours a day. Care for four (4) or more children under the age of seven (7) would require a provider to obtain a license to operate a child care center from Wisconsin's Department of Children and Families.

### **Illegal Unlicensed/Unregistered Care**

Care is provided in a setting that requires licensing or regulation, but the provider has chosen to provide care without the proper license or following regulatory guidelines.

### **Under-Employment / Shift Alignment**

Parents may work split shifts, work part-time, or limit their work hours to stay home with their children. Also, there may be children in the community whose parents have left the workforce and are not looking for employment because of challenges. These families are not included in the data in this report, but parents may enter the workforce if viable child care options are available.

### **Out-of-Area Care**

Parents who have children in the region studied may take their child to care outside of the area of this report. This may be due to parents' work location, access to care, or other reasons.

## Quality Rating and Improvement System Overview

First Children's Finance examined state-wide information about the number of child care programs participating in the YoungStar Program (see Figure 4). YoungStar is Wisconsin's child care Quality Rating and Improvement System (QRIS) that identifies programs that go above and beyond the general licensing requirements to obtain higher quality in their child care programs.

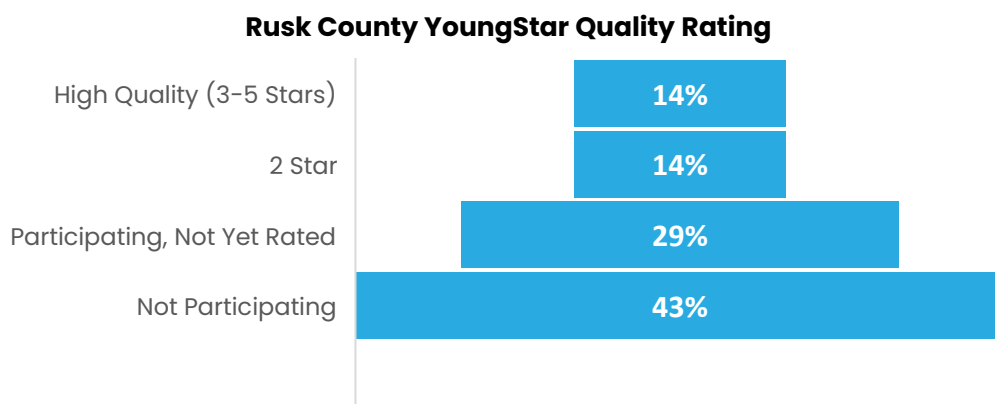


Figure 4: Rusk County YoungStar Rating | PDG Sandbox

# Workforce

## Child Care Workforce

First Children’s Finance also examined the child care workforce in Wisconsin. Many individuals in the workforce have formal educational backgrounds and more than a decade of experience. However, more than half of early childhood educators rely on some form of public assistance and do not receive benefits. The Institute for Research on Poverty at the University of Wisconsin–Madison reported a 40% turnover rate in the Early Childhood Education field. State-wide more than 25% of child care workers hope to find a new job in the next two years. Figure 5 shows data collected for the Western Region of Wisconsin where 19% of the workforce anticipates leaving the field within the next two years. The cost of care is high for families, and the cost of delivery is high for providers. Often, this impact is reflected in child care worker wages. The First Five Years Fund researched the average compensation rate for child care workers and found in Wisconsin that the average hourly rate is \$10.66. This annual salary of \$22,170 is below the poverty line for a working family.



### Early Education Workforce Survey

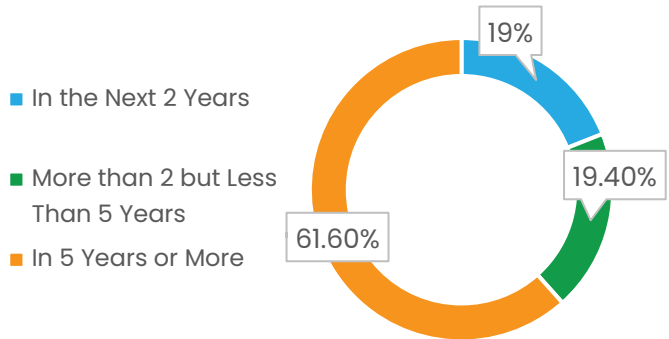


Figure 5: Survey of Center-Based Teachers | Institute for Research and Poverty

## Primary Industries

Additionally, First Children’s Finance examined the top industries in Rusk County within available U.S. census data (see Figure 6). Top industry can impact child care needs based on shift work needed, beginning and end time of employee shifts. In Rusk County, the top industry in the county is manufacturing. Often, this calls for second and third shifts for employees. Without viable child care available during these shifts, continuing employment or hiring new employees for manufacturing industries can quickly become challenging. During Strategic Supply Plan Meetings with First Children’s Finance, the Core Team was challenged to brainstorm ways to address the need for non-traditional hour child care within their community.

1. Manufacturing
2. Educational Services and Health Care and Social Assistance
3. Retail Trade

Figure 6: Top Industries in Rusk County | U.S. CENSUS 2021

## Data Overview

<b>1</b> Certified Family Child Care Programs in Rusk County (DCF Licensing Data)	<b>1</b> Licensed Family Child Care Programs in Rusk County (DCF Licensing Data)
<b>1</b> Licensed Group Child Care Programs in Rusk County (DCF Licensing Data)	<b>14%</b> Of Child Care Programs 3-5 Star rating in Rusk County (DCF Sandbox Data)
<b>50%</b> Of zip codes are considered child care deserts in Rusk County (DCF Sandbox Data)	<b>527</b> Children under 5 with all parents in the workforce in Rusk County (*ACS 5 Year Estimates)
<b>67</b> *Current expected child care capacity in Rusk County (*FCF Calculation May 2022)	<b>460</b> Birth to age 5 slots needed in Rusk County (*FCF Calculation)
<b>\$717</b> Average monthly cost of care in Rusk County (DCF Sandbox Data)	<b>3,661</b> Rusk County residents are employed within the county

## Core Team Planning Meeting

Throughout the summer of 2022, the Core Team, a group of community stakeholders interested in the supply and sustainability of child care, met to discuss the child care shortage in Rusk County and to develop strategies to increase the number of high-quality child care slots. Below are the primary topics addressed in the conversations and the goals developed to address the shortage of child care.

- Community Awareness
- Community Partnerships
- New Child Care

After discussing these core topics, the focus was placed on primary areas of need, where current resources should be directed, and where additional resources are needed. Finally, the Core Team created the following goals to support the child care needs in the community.



## Goals



### **SMART Goal:**

Develop the current Marshfield Clinic building into a licensed group child care to provide up to 50 child care slots to serve the Rusk County workforce.

**Project Team Members:** Rebecca Pehlke, Jennifer Shearer, Dave Willington, David Wierzba, Jeff Euclide, Heidi Eckert, Lauren Zach

**Objective of the Goal:** Rusk County workforce would have more child care slots and access to child care; therefore, increasing the workforce and its' productivity.



### **SMART Goal:**

Identify and support three individuals within the community interested in becoming a licensed or certified child care provider.

**Project Team Members:** Lauren Zach, Michelle Stout, Jen Petnas, Susan Rynda

**Objective of the Goal:** Increased number of certified or licensed providers within the county will result in increased available child care slots.



### **SMART Goal:**

Develop/strengthen partnerships with Marshfield Clinic, City, County, ICAA (Indianhead Community Action Agency), Health and Human Services Agency (HHA), Wisconsin Economic Development Corporation (WEDC), and Ladysmith Development Corporation (LDC), to provide new and current child care providers space to expand their programs within these businesses.

**Project Team Members:** Jennifer Shearer and Lauren Zach

**Objective of the Goal:** Rusk County workforce will have increased access to high-quality child care.

## Project Recommendations

Indianhead Community Action Agency is a quaint, hardworking program within Rusk County with a committed Core Team invested in the child care landscape. First Children's Finance recommends that the Core Team engage in the following activities:

1

Create a marketing strategy to identify community members interested in starting a child care business. Continuously pursuing and promoting community members to become a child care provider can create more opportunities for families, offer the best choice for their family in relation to child care, as well as address the ongoing need for child care slots within the community. In addition, efforts should be made to obtain more providers within the community after the grant period ends, as data has shown a low number of providers and high demand for child care slots.

2

Continue to pursue partnership opportunities with businesses in the community. It was determined during meetings there is a need for child care that offers non-traditional hours. Pursuing business partnerships can allow providers to obtain the actual cost of care for a child and create a more sustainable business, whether providers are existing or new. In addition, offering providers the opportunity to get closer to the actual cost of care can entice providers to offer non-traditional hours and provide relief to businesses needing employees during those shifts.

3

Always run financials before committing to a project – look for a broad support base. As new and expansion child care projects are discussed, run financials and feasibility reports specific to child care programming, avoid focusing on one facility or location. Keep your options open; not every building is a feasible option to house a child care. When evaluating financials and evaluating the feasibility of new child cares, ensure there is an accurate understanding of what type of enrollment numbers, staffing needs, and tuition rates are needed to create sustainability in the current child care climate.

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