



EXPANDING ACCESS TO HIGH QUALITY EARLY CHILDHOOD CARE AND EDUCATION

BACKGROUND

Access Community Capital (ACCESS) is a non-profit organization with a mission-driven purpose to support individuals, businesses, and communities not traditionally served by mainstream financial institutions.

Understanding the critical role of child care in a community's economic growth, ACCESS has partnered with The Children's Cabinet and Nevada's Division of Welfare and Supportive Services (DWSS). As part of this work, an assessment of the child care landscape was conducted, identifying potential solutions, including a cost-model projection of possible pathways to expand the supply of child care in Nevada.

This brief synthesizes the main ideas with respect to potential state-sponsored and employer-based solutions, including opening new child care centers, expanding current child care businesses (both home-based and center-based), and increasing on-site centers in corporate and housing developments.

INTRODUCTION

Science has consistently demonstrated that the earliest years of life create the foundations on which a child's future learning, behavior, and health depend. Young children need safe, stable, nurturing environments and relationships to thrive and reach their full potential. Children are learning and developing from the moment they are born, and when children do not have safe, secure, enriching environments and relationships, they lag their peers developmentally.

In recent years, the demand for high-quality child care services has significantly increased, reflecting changes in societal norms and economic necessities. However, the expansion of child care facilities is often hampered by complex and varied costs associated with building and renovating child care centers.

This brief provides an assessment of the challenges in Nevada and potential solutions that have proven effective in developmental phases across the state or in other markets.

A supplemental financial model is being developed analyzing the cost of constructing child care centers, and remodeling existing facilities, to provide a roadmap projecting the expected increase in supply of high quality child care resulting from additional investment into the solutions.





Barriers to High Quality Early Care

Nevada has long been a national leader of innovative programs and policies, due to the state's strong commitment to improving access to high-quality early care and learning. Examples of Nevada's innovations include the Child Care Excellence Academy, Nevada Strong Start Child Care Service Center (CCSC), a hub of child care service providers co-locating to more easily support providers, scholarship programs such as T.E.A.C.H. Early Childhood Nevada, and the state's Quality Rating and Improvement System—which Nevada introduced in July 2012. Despite Nevada's ability to innovate, many families feel as though high-quality early care and learning is inaccessible due to widespread workforce shortages, low availability of early care and learning programs, and the increasingly high costs of child care.



In 2024, Nevada had approximately 215,983 children ages 0 to 6. 16.2% of children 0 to 6 are enrolled in licensed child care, including both center-based and family child care homes. While it is unknown how many children ages 0 to 6 are in any form of child care, 62% live in families where their sole parent or both parents are working. Child care is critical for these families' ability to work. With only 16.2 percent of children ages 0 to 6 in licensed child care, the majority of Nevada families with children ages 0 to 6 are utilizing some form of non-licensed care arrangement (e.g., kinship care, unlicensed providers, religious-sponsored programs, and drop-in centers). While it is unknown how many would prefer to use licensed child care, the demand for children in child care subsidy has substantially increased. For the full year 2021, 11,522 children were enrolled in child care subsidy. In just the month of April 2022, 7,519 children were served.

Despite an increasing population, access to licensed child care in Nevada has decreased over the past ten years. Since 2012, the number of licensed child care centers has remained constant, increasing from 420 in 2012 to 440 in April 2024. The number of family child care centers has decreased from 345 to 139 centers. By contrast, the population in Nevada has increased 16% over the same period. While declines in ECE sites and enrolled children began before 2020, the pandemic only worsened these trends. The persistent declines are most likely due to staff shortages. Importantly, with increased compensation and subsidy grants from federal relief funds and stabilization grants, these numbers began to improve in 2022. These funds will be fully expended by summer 2024, however, leaving many parents and ECE providers increasingly worried about more pronounced access and the reality of benefits ending.

Staffing Shortages Reduce Access To Care

Providers and parents also acknowledged challenges associated with staffing shortages, particularly those with children in center-based care settings. While reduced hours were mostly an issue during the pandemic, access to licensed child care in Nevada has decreased over the past five years. Parents described complete closures or reduced hours of operation due to inadequate staffing levels and the associated impacts on their ability to work. Others expressed concern about the constant turnover of staff and worry over the continuity of care their children were receiving as a result.

Findings from surveys and an assesment of current center-based care programs, suggest staffing as the primary reason enrollment levels remain well below capacity. In Nevada, there are 443 child care centers with 31,561 students enrolled. If the centers were operating at full capacity, total enrollment would increase by 13,565 students.



Low Wages and Few Benefits Driving Workforce Shortages

The pandemic has placed increased attention on the concerning realities of the nation's early child care workforce, which is a workforce comprised almost exclusively of women and, primarily, women of color. These women are paid poverty-level wages, often have no access to health insurance, and lack other employment-related benefits. Child care providers are seven times more likely to live in poverty compared to public school kindergarten teachers and often report food insecurity, housing instability, and difficulties paying for household expenses—they will frequently hold an additional job to meet their basic needs.

Providers and parents alike noted that they believe the key driver of ECE workforce shortages, both before and since the pandemic, is low wages and a lack of employer-sponsored benefits (i.e., health insurance, sick/vacation leave, and retirement). The ECE workforce is among the lowest paid in the nation, with an average annual salary in 2020 of \$25,460 – less than half of the average salary for all occupations combined – \$56,310. This equates to less than \$13.00 per hour, which is a lower hourly wage than that offered by many major retail chains such as Walmart or Target. Further, just 15 percent of ECE workers receive employer sponsored health insurance, compared to nearly 50 percent for other occupations, and only 10 percent have a retirement or pension plan.



Impact on Small Businesses

Small business owners and their employees need affordable and accessible childcare to thrive and participate fully in the workforce. It's well-documented that access to childcare has been a particular challenge, especially due to the industry's issues stemming from the COVID-19 pandemic. The childcare industry is still struggling to rebound and is recovering lost jobs slower than other pandemic-affected sectors due to low worker wages. The industry's challenges are also exacerbated by the expiration of the Child Care Stabilization Grants included in the America Rescue Plan Act.

The childcare industry's struggles impact the parents who rely on them, which includes many small business owners and their employees. Along with rising costs, finding and accessing childcare is a struggle, as half of Americans live in childcare deserts where no care is available. This puts working parents in a precarious position of having to choose between leaving the workforce or leaving their communities to find affordable, quality childcare.

The lack of childcare funding and access to affordable childcare has put a significant burden on working parents and has impeded the ability of small businesses to retain a skilled workforce. Additionally, for entrepreneurs with children of their own, it's preventing many from being able to launch or grow successful businesses. Several states, including Nevada, have taken steps to fill gaps in childcare investments. Additionally, federal action is being discussed to solve the childcare funding cliff and ensure more individuals can own or work for a small business. A recent national opinion poll of small business owners reveals they believe that policymakers should take steps to address the cost of childcare, and that they strongly support a variety of legislative solutions.



Proposal: Nevada-based Solutions (State Sponsored)

1. Child Care Facilities Fund

a. Provides loan funding to eligible childcare and development contracting agencies for renovation and repair of existing facilities or the acquisition or construction of new buildings. This fund, a public-private partnership, offers facilities financing coupled with intensive technical expertise in the construction of childcare facilities.

2. Affordable Child Care Homeownership Fund

a. Expanding on the success of CARE Nevada, we believe an additional investment will increase the impact. In the past year, CARE Nevada has purchased and renovated 12 homes, relocating providers into more landlord friendly environments. This program is designed to build the wealth of childcare providers by creating opportunities to expand their business and own their facility.

b. [Sample brochure for ACCHF](#)

3. Co-location of Child Care Centers

a. Co-location inside affordable housing developments, medical campuses, airports, casinos, churches, community centers, and other large scale developments could dramatically increase the availability of child care. Many of these developments already receive federal or state incentives.

b. Adding incentives or requirements to include child care facilities into development plans would not stifle development activity. To the contrary, on-site child care would consequently increase the attractiveness of the employer to potential employees (likely increasing the representation of women in the workforce.)

Proposal: Nevada-based Solutions (Employer Sponsored)

Potential Employer Solutions

1. Portable / Mobile Child Care

a. If there is temporary housing to be established for workers, such as for long-term construction projects (i.e. Brightline), consider adding a portable child care unit on the premise for toddler age children.

b. Example – [Strong Start Mobile Pre-K](#) in the city of Las Vegas. Additional resources ([click here](#))

2. Vouchers

a. Provide vouchers to families that need their kids to be in after care or to remain with at home providers as the employee is traveling for work.

3. On-site Employer Child Care Facilities

a. Supporting employers build on-site facilities

b. Employers assessing the cost-benefit of operating an on premise child care facility.

c. Examples include: Capital One, Google, T-Mobile, Kwik Trip





PROPOSAL 1

Child Care Facilities Fund

The Child Care Facilities Fund (CCFF) provides loan funding to eligible childcare and development contracting agencies for renovation and repair of existing facilities or the acquisition or construction of new buildings.



Purpose

The Child Care Facilities Fund (CCFF) is a public-private partnership, offering facilities financing coupled with intensive technical expertise in the construction of childcare facilities.

The establishment of a Child Care Facilities Fund provides critical capital that can facilitate renovations of existing and construction of new facilities. The CCFF, established as a revolving fund, when combined with other funding sources (such as Community Development Block Grants), can be an important part of the capital stack, making the difference in whether a project comes to fruition.

Projections

Every \$5 million investment is expected to attract an additional \$10 million in capital to facilitate the expansion of child care in Nevada.

Even though a portfolio diversification mix is recommended, if invested solely into the expansion of licensed care centers, every \$5 million investment is expected to increase capacity by 1500 children every 3 years.

Goals

The Child Care Facilities Fund provides funding for the renovation, repair, or improvement of an existing building to make the edifice suitable for childcare licensure, for the purchase of new childcare facilities for school districts, contracting agencies, and organizations that provide childcare and development services.

Additional goals of the CCFF include the following:

- Provider assistance with the development process and increased technical assistance opportunities. Resource partners will work one on one with childcare providers offering wrap-around support services to increase the development and business acumen of providers
- Special focus on assisting homecare providers with transition into ‘Childcare Hubs’
- Special focus on licensed providers building out more sustainable spaces to reduce the reliance on government programming
- Special focus on providing developmental support to employer based childcare centers. This may involve working with knowledgeable architects and developers of childcare facilities



PROPOSAL 2

Affordable Child Care Homeownership Fund

The Affordable Child Care Homeownership Fund (ACCHF) provides loan funding to eligible developers for the construction of affordable housing to be sold to first-time home buyers, also operating as group family child care centers. Funds may be used for predevelopment and construction expenditures.

Purpose

The Affordable Child Care Homeownership Fund (ACCHF) is a public-private partnership, offering construction financing coupled with mortgage readiness training, supporting both the expansion of affordable housing and access to child care.

Utilizing the secondary markets, loans originated through the ACCHF will be either securitized or sold, allowing the fund to revolve, continuing to serve its mission, increasing the supply of affordable housing in an evergreen manner.

Projections

Every \$5 million investment is expected to attract an additional \$15 million in capital to facilitate the expansion of child care in Nevada.

Even though a portfolio diversification mix is recommended, If invested solely into the expansion of group family child care, every \$5 million investment is expected to add 250 homes with an increased capacity to enroll 3000 children over 10 years.



CHILD CARE PROVIDERS LOOKING FOR A HOME?

NEVADA'S AFFORDABLE CHILD CARE HOMEOWNERSHIP FUND

- The Affordable Child Care Homeownership Fund (ACCHF) is a housing program designed to increase the availability of child care by assisting Family Child Care Providers become Group Family Child Care providers.
- **Eligible Costs:**
 - Up to \$25,000 for predevelopment costs.
 - Up to \$325,000 for acquisition/renovation.
- **Impact:**
 - Child Care Providers will increase their capacity from 4 to 12 children per home.
 - Houses will meet all licensing requirements.
 - No HOA or landlord restrictions on child care operations.
 - Increased revenue for provider
 - Technical assistance to assist with business best practices, cash flow management, mortgage readiness, financing, etc.

ABOUT :

ACCESS CDFI offers technical assistance to child care providers through its Child Care Accelerator; and facilitates introductions to grant programs, often acting as a bridge lender while providers await payments or reimbursements. Our team is dedicated to creating affordable housing that also serves as Group Family Child Care Facilities. This dual mandate increases the housing supply and enhances child care services across the State of Nevada.



Goals

The Affordable Child Care Homeownership Fund simultaneously address the ongoing issues of affordable housing and child care availability. This initiative marks a significant step forward in the state's efforts to provide economic stability and support for families and child care providers.

The Affordable Child Care Homeownership Fund provides funding for the predevelopment and construction of new housing that offers quality living space, while also compliant with childcare requirements.

Additional goals of the CCFF include the following:

- Provider assistance with the development process and increased technical assistance opportunities. Resource partners will work one on one with developers to ensure compliance with child care requirements.
- Increase availability of housing options for child care providers across our state.
- Provide funding for developing Group Family Child Care.
- Partner with homeownership organizations, contractors, nonprofits, and child care providers.



EXISTING PROGRAMS



LAS VEGAS ENTREPRENEUR ACCELERATOR

LVEA Program

ACCESS CHILD CARE invites all Las Vegas child care providers to join the free Las Vegas Entrepreneur Accelerator Program. Gain valuable assistance through business and marketing professional supportive services. This unique program offers an incredible opportunity to grow and expand your child care business. Don't miss out—sign up now through the LVEA Application Link below.

Marketing Services



Website Design

LVEA offers talented professionals who specialize in designing one-of-a-kind child care websites. Our custom websites are designed to attract families, helping you grow your capacity and reach your goals.



Videography Services

LVEA has an amazing videography team ready to help you create a captivating 30-second video commercial of your child care space. Share your passion with the community and attract more families with our professional video services.



Flyers, Mailers and More

LVEA's marketing team is equipped to create a variety of materials, including flyers, mailers, informative commercials, and more, to help you attract new clientele and grow your business.

Business Services

Operational Support

- Strategic Growth
- Comprehensive Business Analysis
- Social Media Management

Bookkeeping/Accounting

- Professional Bookkeeping and Accounting services for one year
- Financial Statement Reporting

Tax Information

- Professional Tax Advisors
- Tax Guidance for Home Based Child Care Needs

LVEA Application:

[Las Vegas
Entrepreneur
Accelerator](#)



Child Care Accelerator

Access Community Capital supports child care providers to operate and grow successful business ventures by offering valuable technical assistance at various stages of their business.

Through a recently launched accelerator program, the CHILD CARE ACCELERATOR takes start-up and existing businesses to the next level by providing access to mentors, resources, and a supportive community. The accelerator helps child care providers run their business more efficiently, offering guidance in areas such as business planning, administrative support, financial modeling, and professional development.

For those looking to start a new business, the accelerator provides start-up resources through partners, including referrals to The Children's Cabinet, Wonderschool, and Las Vegas Urban League.

Operating providers accepted into the program gain access to additional resources to efficiently manage their businesses. In addition to dedicated support services, the accelerator introduces child care providers to resources needed to operate a successful business including back-office services, business planning, marketing, human resources, and more.

The CHILD CARE ACCELERATOR makes it easier for child care providers to find the resources they need. When applying, applicants are asked to complete a questionnaire, which assesses their current business and then helps determine the support required. The accelerator utilizes machine learning to ensure providers are only receiving information relevant to their specific situation.

IMPACT

In 2024,

11

Providers are receiving accelerator services. Financial coaching remains the #1 requested support



EXISTING PROGRAMS



Access to Capital

Available for child care business owners seeking to grow or maintain their operations. Access offers various loan programs that can offer crucial financial assistance. These programs are tailored to meet the specific needs of small businesses in the childcare industry, providing competitive interest rates and terms that address the sector's distinctive challenges.

Loan Programs

Term Loans

- \$250,000 Max Loan
- 1 month -3 year term
- 8-10% Interest Rate

These loans rely on revenue for underwriting, requiring business owners to demonstrate sufficient monthly cash flow to repay the loan. In contrast to traditional banks, there are no minimum credit score prerequisites or demands for collateral or a guarantor.

Start-Up Loans

- \$10,000 Max Loan
- 1 month -3 year term
- 8-10% Interest Rate

For Child Care businesses open less than one year who. When applying for a start-up loan, your business will be required to provide a comprehensive business plan, projections, and potentially a year-to-date income statement, cash flow statement, and balance sheet.

Bridge Financing



- \$125,000 Max Loan
- Short-Term Loan
- 6-10% Interest Rate
- Reimbursed Quickly

ACCESS provides bridge financing as an alternative loan in partnership with The Children's Cabinet grants team. This collaboration offers initial funding for grant-eligible expenses. Providers can access the full grant amount upfront for approved child care business costs, with ACCESS receiving reimbursement upon receipt submission to the grants team. Borrowers are responsible for the accumulated interest during the loan term.



Child Care Bridge Financing

ACCESS is committed to providing affordable and efficient funding options for established child care providers.

Our loans are generally underwritten based on the revenue of the business. The process is very personal as the underwriter learns about the business owner's goals and expected use of funds. This more personal approach is to ensure a realistic plan is designed to better ensure financial success.

As a result of partial capitalization with state application process is quick and streamlined. If approved, you'll be able to take advantage of lower interest rates and fees, along with a longer term to keep your monthly payments affordable.

The CHILD CARE ACCELERATOR makes it easier for child care providers to find the resources they need. When applying, applicants are asked to complete a questionnaire, which assesses their current business and then helps determine the support required. The accelerator utilizes machine learning to ensure providers are only receiving information relevant to their specific situation.

IMPACT

In 2024,

21

Providers applied or in underwriting

4

Providers received approval

\$222,000

Approved

10

Child care jobs created



EXISTING PROGRAMS

ACHIEVE YOUR POTENTIAL

Recognizing the critical role of child care in a community's economic growth, Access Community Capital supports child care businesses through capital financing, operational support, and technical assistance.



TAKE YOUR BUSINESS TO THE NEXT LEVEL

ACCESS provides valuable technical assistance to child care providers to aid in planning and preparing for different aspects of their business. Our services help child care businesses grow and maintain high standards of quality.



Financial Coaching and Business Planning for Growth

Assess the business environment and generate provider-specific plans with resources needed to reach your financial goals.



Business Management Tools

Increase productivity of providers by streamlining workflows or improving systems to help businesses operate efficiently, remain competitive, and improve performance.



Becoming Bankable

Build credit, develop a business plan and budget to successfully apply for grants, loans, and other funding.



About Us

Access Community Capital is a Community Financial Institution based in Nevada. Our mission is to empower underserved communities by providing affordable capital and resources prioritizing women- and diverse-owned businesses.

Contact Us

-  (855) 758-2334
Southern Nevada: Extension 2
Northern Nevada: Extension 700
-  childcare@accesscdfi.org
-  www.accesscdfi.com/child-care/



Technical Assistance

At Access Community Capital, offering personalized support to enhance your child care business through our Child Care Technical Assistance Program. Whether you are seeking one-on-one guidance or prefer the dynamics of group support, our dedicated team is here for you.

ACCESS offers 1:1 technical assistance to child care providers, supporting the establishment and growth of facilities, often connecting providers to the vital resources needed to grow thriving businesses. From introductions to grant programs and other capital providers to working with realtors and construction contractors, ACCESS is codifying the ecosystem of supportive services through its Child Care Accelerator program.

The technical assistance begins with a financial and operational assessment of the provider, identifying strengths and potential areas for improvement. The business advisors share best practices, often introducing providers to resources offered by other programs administered by Access Community Capital. For example, for a provider to participate in the United State Department of Agriculture's Child and Adult Care Food Program (CACFP), a provider must have solid financial statements and accurate budgeting. Through the Las Vegas Accelerator, the business advisors are able to match providers with third-party accountants and pay for the generation of accurate financials.

IMPACT

127

Providers Advised

- 60 providers in FY2023
- 67 providers in Q1 2024

50

Providers

Attended Nevada Registry Approved trainings