



# Bridging the Gap Between Child Care and Community and Economic Development

The child care and community and economic development sectors share common goals. Specifically, both are working to create and sustain healthy, thriving communities. The work of both sectors interacts with and influences one another. Reliable access to affordable, high-quality child care ensures families can participate in the workforce, strengthening the economies of communities. The two sectors are well poised to partner and support one another.

Child Care Aware of America's (CCAoA) aim in creating this report is to inform and support community-based organizations, like Child Care Resource and Referral agencies (CCR&Rs) and other intermediaries, that are seeking to build bridges between child care and community and economic development.

## Key Takeaways

1. As more attention has been brought to the lack of high-quality accessible and affordable child care options across the country, community and economic development institutions and leaders are increasingly focusing attention on the importance of child care and the role they can, and must, play in supporting the sector.
2. Funding, staffing and competing priorities were all identified as barriers for stakeholders to dedicate the necessary time and resources to develop and maintain partnerships, assess community needs, and collect and share data on their community and economic development efforts related to child care.
3. CCAoA identified three key actions for leaders to take to be successful when working to integrate child care into community and economic development efforts: understand the landscape of community and economic development and child care in your area, establish partnerships and create a cross-sector data-driven plan.

# Background and Overview

CCAoA conducted a landscape analysis, field surveys and individual interviews to learn more about community and economic development and its interaction with child care across states.

## Federal Landscape

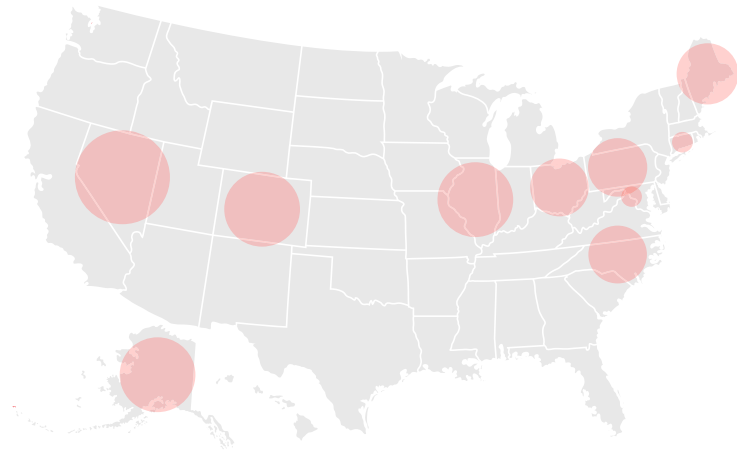
There are four (4) federal agencies that work on community development and economic development and/or provide grants and loans related to community and economic development through a variety of departments and initiatives. These agencies and departments include:

- **U.S. Department of Agriculture (USDA)**
  - [USDA Rural Development](#) provides loans, grants, loan guarantees, and technical assistance to help communities undertake community empowerment programs and expand access to infrastructure and other needs, including child care facilities. The programs directly related to child care include: the [Community Facilities Direct Loan and Grant Program](#) and [Economic Impact Initiative Grants](#).
- **U.S. Department of Commerce**
  - The [U.S. Economic Development Administration \(EDA\)](#) works directly with communities and regions to help them build the capacity for economic development based on local business conditions and needs.
  - The National Institute of Standards and Technology (NIST) operates the [CHIPS for America](#) program, where companies applying for more than \$150 million for semiconductor manufacturing will be required to submit a robust child care plan that reflects the needs of their workers in communities where they plan to build.
- **U.S. Small Business Administration (SBA)**
  - The SBA provides counseling, capital, and contracting expertise as the nation's resource and voice for small businesses.
- **U.S. Department of Housing and Urban Development (HUD)**
  - The [Office of Community Planning and Development \(CPD\)](#) develops partnerships among all levels of government and the private sector to develop viable communities through promoting integrated approaches that provide decent housing and expand economic opportunities for low and moderate income persons. The [Community Development Block Grant \(CDBG\) Program](#), which provides grants related to these goals, includes child care as an authorized public services activity.

## State Landscape

States vary in their approach to community and economic development. They often use federal funds, in addition to state funds, to address needs. In our landscape analysis, we identified eleven (11) states/territories as having community development, economic development or consolidated plans that mention child care. Those states/territories include:

Alaska  
Colorado  
Connecticut  
Illinois  
Maine  
Nevada  
North Carolina  
Northern Mariana Islands  
Ohio  
Pennsylvania  
Washington, D.C.



The child care topics in those plans address:

- Child care professionals (e.g., professional preparation, salary).
- Family child care expenses (e.g., subsidy).
- Child care quality, access, affordability.
- Incentivizing business participation in child care (e.g., family-friendly policies, financing).
- Recognizing child care as a way to attract a talented workforce.
- Child care as a support to get families into the workforce.
- Child care as a tool to increase tax revenues and/or reduce public benefit use.
- Child care as a means to increase economic prosperity for citizens.



## Case Study Findings

CCAoA conducted surveys and interviews with CCR&Rs and community and economic development intermediaries to learn about the work they do to support the inclusion of child care in community and economic development. Both groups provided valuable information to support CCAoA's research efforts.

Most of the CCR&Rs and intermediaries we heard from have done this work for many years, with plans and strategies in place to continue. CCR&Rs shared that their community and economic development work often includes partnering with other local stakeholders on workforce development initiatives, educating employers on child care initiatives to increase the availability, affordability and quality of child care in their area; recruiting and training new child care providers; and supporting newly licensed family child care providers with training and technical assistance.

Both local and statewide partnerships are beneficial for expanding community and economic development and child care efforts. For example, one CCR&R staff person shared that their agency started forming relationships and connecting with a variety of businesses that were interested in supporting their employee's child care needs. They even developed an employer toolkit that they use to educate employers on child care assistance options, child care as a workforce issue in their state and other resources for getting employees child care. Now, the CCR&Rs in the state partner with employers (e.g., key manufacturing entities) to complete needs assessments for their employees.

In one county, they were able to partner with a variety of different local manufacturers and the local school system to use an empty wing of the school to open a child care facility. The manufacturers helped fund some of the renovations and in return secured child care slots for their employees. Another CCR&R participated as an industry expert in a statewide coalition to invest in microchip manufacturing as part of the federal CHIPS and Science Act. In this coalition, the CCR&R advised on strategies to incorporate a child care focus into the proposals that were being submitted for funding. The CCR&R

was requested to participate through an established relationship they had worked with previously on a metro transit and child care initiative.

Funding, staffing and competing priorities were all identified as barriers to CCR&Rs dedicating the necessary time and resources to develop and maintain partnerships, assess community needs, and collect and share data on their community and economic development efforts related to child care. Despite this, there was a consensus among those CCAoA interviewed that there is an overwhelming need in communities and desire in those working in the community and economic development field to include child care in community and economic development. One CCR&R staff person shared, “Cooperation isn’t a barrier because people want to support child care. The capacity needs to be there.”

Another CCR&R shared that, while they do dedicate some of their time to community and economic development efforts, they do not have funding to support the work. They find that the better they do at supporting efforts to incorporate child care into community and economic development, the more businesses and organizations want to work with them in this area. While this is a testament to the need for child care to be included in community and economic development initiatives and the value CCR&Rs can bring to support this work in communities, the challenge comes from the time that is needed to be successful. Without funding, they must limit the amount of time and staffing they can dedicate due to other competing responsibilities.



The long-term objective for our outreach work is to create collaborative opportunities where we can work alongside community and economic development teams in building a vibrant and sustainable child care system that meets the needs of all children and their families.

- CCR&R

Intermediaries not including CCR&Rs that shared information with CCAoA through a survey represented a variety of locations where they are working with the child care sector (national, multi-state, statewide, local). While most of the intermediaries identified child care as a core issue area, the organizations also work with housing, community services and business, among other areas. One intermediary shared that they made the initial recommendation for, and are currently operating, a multi-million-dollar voter-approved bond that was on the ballot in a special election. It provided taxpayer dollars as a capital infusion to help build out child care sites and support quality improvement. The majority shared that their states and cities/counties have community or economic development funding streams that include child care. Funding and staffing were identified as the biggest barriers for intermediaries to be able to support child care initiatives in community and economic development.



## Recommendations

CCAoA identified three key actions for organizations to take to be successful when working to integrate child care into community and economic development efforts.

### Actions Leading to Success

- **Understand the Landscape of Community and Economic Development and Child Care in Your Area:** Taking the time to learn about community and economic development entities and the local child care landscape will contribute to greater success as communities often have unique needs, making a “one size fits all” approach challenging.
- **Establish Partnerships:** Partnerships, especially cross-agency or cross-sector partnerships, are vital to the success of community and economic development work that includes and supports child care.
- **Create a Cross-Sector Data-Driven Plan:** Once you establish partnerships and understand the landscape, identify community needs and project goals based on data for the greatest impact.

Organizations may already be doing one or more of these actions in their work and may choose a priority area to focus on based on their specific needs at the time. It may be necessary to revisit the actions throughout the process as the work, partners and community needs evolve.

## Community and Economic Development and Child Care Landscape

It is critical for leaders to understand the landscape of community and economic development and child care so they can have a sense of available funding sources, relevant agencies or organizations supporting these initiatives, and other key players on the ground. This ensures that work is not duplicated, and the appropriate partnerships can be formed or strengthened to maximize effectiveness and support more families, businesses and communities.

There are many potential community and economic development funding sources (federal, state, local) so it can be difficult to identify where funds are coming from and what they are supporting. The [Community Development Block Grant \(CDBG\) Program](#) is one way that federal funds broadly support community development activity. [The Joplin Early Childhood Center](#) in Joplin, MO, is an example of CDBG funds being used to support child care. Many successful projects incorporate child care into community and economic development at a more granular or regional level.

While there is public funding supporting community and economic development efforts, it may not always be public or nonprofit entities doing the work. Sometimes an established entity, such as a public-private economic development entity, may be tapped to administer that funding. Community development corporations or other similar organizations often contribute as well.

The community and economic development efforts will look different depending on the location and the partnering entities. It is helpful to find the state, regional or local community and/or economic development plan to identify the partners and funding.

Examples of local entities that may administer community and economic development funding streams include:

- Banks, Credit Unions, Community Development Financial Institutions (CDFIs)
- Chambers of Commerce
- Community Development Corporations
- Faith-based Organizations
- Philanthropic (e.g., United Way)
- Small Business Associations
- State/city/county funding/grants
- Tribal and Alaska Native Organizations
- Workforce Development Boards

There are several federal early learning programs and funding streams serving children from birth through age 5. While programs may occur in different settings and have different requirements, together they form an effective mixed-delivery system that supports the care and early education of infants, toddlers and children. Annual child care funding from the federal government is over double the combined investment of state and local governments, unlike K-12 education [where federal funds account for less than 10% of funding](#).

The Child Care and Development Block Grant (CCDBG) is the largest source of federal funding for child care. It was created to help low-income working families with child care assistance for children birth to age 13. Child care subsidies made available by states through their CCDBG funding offset the high price of child care and allow parents earning up to 85% of State Median Income (SMI) to work, train or pursue educational opportunities while providing children with positive early learning experiences that are critical for their healthy development.





## Partnership Focused

Partnerships surfaced through the surveys and case study interviews as one of the most crucial supports for integrating child care into community and economic development.

An intermediary shared, “It’s based on human connection and relationships for it to work and for people to want it to work.” One recommendation shared was to include a variety of partners at the table. She also said, “It’s not going to be one person. It’s going to be a coalition of organizations that have priorities that are aligned and bringing those groups together. Bringing together a variety of skill sets creates a more holistic approach to the work.”

Partnerships can be initiated in a variety of ways. Suggestions that were shared include outreach to groups or entities working in the space, as well as reaching out through individual means, including cold calling to start a connection. Individual connections have been successful. A CCR&R shared that she has been successful with forming or maintaining partnerships because she has the necessary perspective and experience of being “boots on the ground and getting out there doing grassroots efforts to connect with the communities” that partners want to hear from.

It is also important to identify places in your local community where partners are already meeting and discussing community needs. They may already be identifying child care issues and need subject matter experts and appropriate stakeholders at the table. This may be a great place for CCR&Rs to get involved. Having child care involved in a group that is not child-centered is important for cross-sector collaboration.

There was strong consensus that building partnerships takes time. Everyone interviewed noted that they have been doing this work for many years. One suggestion was to meet regularly once you identify partners. A CCR&R staff person also shared this when talking about regular meetings with partners, “That has been huge in really understanding where everybody is at and how we can step into these efforts.”



Bringing together a variety of skill sets creates a more holistic approach to the work.

- *Intermediary*



Partnerships should be mutually beneficial. Everyone involved should both support the partnership and benefit from collaborating.

There are a variety of potential partners to consider. The names of organizations or agencies may differ depending on location, but these are the types of partners identified overall:

## Child Care

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- Child care health consultants
- Local CCR&Rs
- Local child care programs
- Local early childhood associations/coalitions
- Local Head Start/Early Head Start programs
- State Association for the Education of Young Children
- State CCR&Rs
- State child care administrators
- State child care licensing offices

## Community and Economic Development

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- Community Development Financial Institutions (CDFIs)
- Local community/neighborhood development corporations
- Local housing development corporations
- Local planning boards
- Regional Chambers of Commerce
- Regional development organizations
- Regional planning commissions
- State Chambers of Commerce
- State economic development organizations



## Data-Driven Planning

It is vital that those engaged in community and economic development and child care understand the community they are supporting. This includes not only the community's needs, but also their preferences. Each community, city, county and state will have different needs, so the solutions will vary. A good place to start is to identify any plans that are already in place.

Efforts to integrate child care into community and economic development should be data-driven. Data is crucial for identifying problems or needs as well as potential solutions. Different data sources should be identified based on availability and how they can support the work. It is vital to gather data on child care supply (how much child care is available) and demand (how much child care is needed) as well as what kind of child care is available in the area (e.g., infant/toddler child care, preschool, nontraditional hours). This will help identify the unmet child care needs in the community. From there, it can be helpful to look at data for more granular needs to align with community preferences (e.g., language, setting type, etc.).

Data should be collected and shared with funders, decision-makers and partners to influence decisions and encourage future investment. While engaging in this work, it is crucial to gather data about both the process and the outcome. An intermediary shared, "Where we have found real success is to have the data to share to say that this is an issue. And then coming in with actionable recommendations for ways to improve things."

One CCR&R provides a needs assessment for employers to learn about the needs of their employees. They shared an instance where an employer-identified need was in fact different from what the needs assessment showed employees felt and wanted. By understanding what the true needs of the employees were, the CCR&R was able to ensure the employer and employee were on the same page in moving toward a mutually beneficial outcome.

Finally, findings should be shared with a broad audience to share successes, challenges and highlight the need for child care to be included in community and economic development efforts. CCAoA conducted a landscape analysis that included internet searches and a state-by-state review of materials and did not find many examples of this work. However, based on survey and case study findings, there are many promising practices happening across the country. This suggests that those actively engaged in the work on the ground may not have the time or resources to ensure others can know about it and learn from it.

## Organizational Commitments

Given the complexity and nuances, resources and supports identified as important to begin and support the inclusion of child care in community and economic development include:

### Professional development:

Staff will be more confident in their work if they are adequately prepared.

### Technical assistance:

As this work grows and builds momentum, ensure staff have access to support to help them grow with it.

### Funding:

While some organizations are able to work in this area without specific funding, their services are limited.

### Convening:

Bringing people and organizations together is a vital piece of including child care in community and economic development efforts.

### Capacity building:

This work is always evolving, so participants need to continually strengthen their skills, knowledge and systems.

CCR&Rs can play a significant role in the inclusion of child care in community and economic development.

- If there are no dedicated staff, identify who will support efforts and how much time they can dedicate.
- Identify resources that will allow for dedicated staff in the future.
- Develop a clear understanding of the services that will be provided (required contracted services vs. value-add services).
- Ensure CCR&R staff in this role feel comfortable with the responsibilities.]

## Conclusion

Including child care in community and economic development is an important step in ensuring families have access to accessible, affordable, high-quality child care by building strong child care systems in communities. Not only does this help strengthen the child care workforce, which is suffering from shortages and composed of individual small businesses, but it also strengthens local economies and the entirety of the workforce by attracting talent and allowing more parents to work. Increasing economic prosperity for all citizens also benefits communities at large in the form of increased tax revenues and reduced public benefit use.

Innovative strategies to strengthen community and economic development and child care efforts are happening across the country, but more resources are needed to ensure all communities are supported and successful.

There are many lessons learned from this research that can support inclusion of child care in community and economic development work.

- **Start small.** The needs and solutions are very individualized to the location. There has been great success in projects that address specific needs at a local or regional level.
- **Make sure everyone is “speaking the same language.”** Community and economic development and child care all have unique terms that others who do not work in the field may not understand.
- **This work takes time.** While there is not a lot of information readily available, there are many people and organizations who have been doing this work for decades.
- **There is still a lot of work to do.** Even with all of the work done so far, there is a long way to go to ensure that child care is embedded into community and economic development. Multiple CCR&R staff shared that they “feel like it is in the infancy stage” when speaking about this work. One CCR&R staff person said, “We’re doing really good things, but I don’t feel like we’ve gotten there.”



It’s really hard to convince people to make change when you’re talking about child care in a nutshell. It needs to be about child care as part of an ecosystem for children to live healthy lives.  
- **Intermediary**

We should continue to learn more about how organizations and communities are including child care in community and economic development to strengthen our approach and have a greater impact. An intermediary shared, “Anything we’re doing here can be done in another state if you have the people that are invested and interested in doing it.”

# Glossary

**Chamber of Commerce:** An organization of businesses seeking to further their collective interests, while advancing their community, region, state or nation.

**Child Care Health Consultants:** Trained health professionals with education and experience in both child care and community health.

**Child Care Programs:** There are many different types of [child care](#). The types and what they are called may vary by location.

**Child Care Resource and Referral Agency (CCR&R):** An organization that serves as a resource hub for families, child care professionals and communities. CCR&Rs increase access to high-quality, affordable child care by providing many different services depending on where an individual lives.

**Community Development:** A process in which community members come together to take collective action and generate solutions to common problems. Community development activities are meant to promote economic growth and financial stability for low- and moderate-income communities (LMI). They include things like public facilities installation, community centers, housing development, assistance and rehabilitation, and strengthening public services like education systems, etc.

**Community Development Financial Institutions (CDFIs):** Finance microenterprises and small businesses, nonprofit organizations, commercial real estate, affordable housing and more.

**Community/Neighborhood Development Corporations:** A nonprofit organization incorporated to provide programs, offer services and engage in other activities that promote and support community development.

**Early Childhood Associations/coalitions:** An early childhood association or coalition is a group that comes together to promote high-quality early learning for young children.

**Economic Development:** Short- and long-term processes and practices designed to create jobs and economic activity, and efforts designed to address equity and create wealth at various levels (e.g., local, regional, state, national). Economic development aims to improve the living standards, health, well-being and education level of the general population. Activities can include small business financing, commercial development and improving conditions for investments in places. Housing, community development and most education programs are considered major components of economic development planning.

**Economic Development Organization:** An organization dedicated to the economic development of a region.

**Head Start/Early Head Start Programs:** A free, federally funded program designed to promote school readiness for infants, toddlers and preschoolers from families that meet income eligibility requirements.

**Housing Development Corporation:** A nonprofit real estate company that specializes in revitalizing neighborhoods through acquisition, development and management of affordable and workforce housing.

**Intermediary:** Intermediaries are those organizations that assemble resources from one segment of society (e.g., foundations, corporations, government, research, organizations, etc.) and distribute these resources to community organizations for projects designed to build community capacity.

**Planning Board:** A body of citizens appointed to prepare or administer a plan (as for the growth and development of a city).

**Planning Commission:** A group of appointed officials which oversees city planning and makes decisions about land-use or economic planning.

**Professional Development:** The process of acquiring new knowledge and skills that relate to current job duties and allow for growth along a career path.

**State Association for the Education of Young Children:** State affiliate of National Association for the Education of Young Children that works to promote high-quality early learning for all young children, birth through age 8, by connecting early childhood practice, policy and research.

**State Child Care Licensing Offices:** The state or territory entity that sets minimum health and safety requirements that child care programs must meet to legally operate.

**Technical Assistance:** The provision of targeted and customized supports by a professional with subject matter and adult learning knowledge and skills to develop or strengthen processes, knowledge application or implementation of services by recipients.

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## Additional Resources

- [Child Care Aware® of America](#)
- [Local Initiatives Support Corporation \(LISC\): Child Care & Early Learning](#)
- [Opportunity Finance Network \(OFN\): CDFI Locator](#)
- [U.S. Economic Development Administration: Economic Development Glossary](#)