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***New study details early childhood education crisis, opportunities across Northern Michigan***

**TRAVERSE CITY, MI** - Our regional workforce is suffering as working families struggle to find adequate early childhood education options for children birth to five years old. A new study, *Need for Early Childhood Education in Northwest Michigan*, conducted by IFF across Benzie, Grand Traverse, Kalkaska, and Leelanau counties makes the business case for investing in early childhood infrastructure. To meet our current workforce needs and attract new talent, cross-sector leaders must work together to make strategic investments in the early childhood system.

As major employers and community development organizations work to build economic growth in our region, limited access to high-quality, affordable early childhood education is a major barrier. "A lack of childcare options puts a strain on dual career families and often means one caregiver must forgo work or work part-time. This difficult trade-off leads to lower earning potential for a family, exacerbates workforce shortages for our employers, and is ultimately a contributor to the decline in family-age career workers in the Grand Traverse region," says Warren Call, CEO of TraverseConnect.

Over the past decade, 30% of early childhood providers have closed their doors due to a multitude of factors. More recently, childcare centers on the Old Mission peninsula, Suttons Bay and Northport have closed. There are many contributing factors that make early childhood education and care difficult. Many families earn too much for subsidy yet are unable to comfortably afford market-rate care. Providers cannot sustain business due to costs that are more than families can afford to pay. A family earning \$56,000 a year is ineligible for subsidized care, leaving 90% of families in our area without support to afford increasingly expensive childcare.

Even families who can afford market rate childcare face long waiting lists, limited care hours, and inconsistency between providers. According to statewide indicators, only 27% of local providers achieved a rating guaranteeing quality care, yet few training opportunities are available locally.

Openings for infants and toddlers are especially hard to find, as working parents need their children in some level of childcare shortly after birth, and they are the costliest age group for a provider to operate. Only 20% of the available slots serve children under 3 years old and only 1 in 3 infants and toddlers have a slot available to them in the region.

IFF recommends prioritizing a system-wide approach, ensuring that no one community is left behind in efforts to improve access to high-quality early childhood education across the region.



The study recommends employers invest in the system as a whole, rather than targeting unique supports for their constituents. Center-based providers are the best fit for communities with employment centers, while home-based options are essential to increase childcare access for families living in non-employer-based communities. Ultimately, local families seek a provider who is a trusted member of their community to provide high-quality ECE for their children.

Recommendations include:

1. **Promote affordability for families and providers.** Local leaders must work together to bring down costs for working families to access community providers.
2. **Increase availability of infant and toddler care.** New early childhood education centers should be targeted near employment centers in high-need areas, especially those providing care for infants and toddlers, and home-based provider capacity should be increased in non-employer-based communities.
3. **Strengthen home-based providers in less populated communities.** Communities without major employers have experienced center closures and families face long commute times to reach remaining ECE programs.
4. **Improve quality of early childhood education in the region.** Investments in training for early childhood education workforce are necessary to meet and exceed Michigan quality standards.

“This is a complex problem with many underlying factors to consider. We are facing a crisis in childcare and need to look at the system to find answers. In support of families, employers, and providers across the region, we need to work together toward comprehensive solutions, providing high-quality care to meet immediate needs while ensuring the field matures along with our economy,” states Becky Ewing, Executive Director of Rotary Charities of Traverse City.

A cross-sector group of philanthropy, business, health, and early childhood advocates contributed to *Need for Early Childhood Education in Northwest Michigan*, in partnership with IFF. **The study can be viewed [here](#).** The results of these findings will be shared at a future community forum to spark community organization around the critical early childhood education needs in our region to sustain our economy and well-being.

About IFF: [IFF](#) is a mission-driven lender, real estate consultant, and developer that helps communities thrive by creating opportunities for low-income populations and individuals with disabilities. From childcare to senior housing, IFF works closely with clients from every sector, offering affordable, flexible financing; full-scale real estate consulting; and community development services. Since 1988, IFF has made more than \$700 million in loans, leveraged \$2.3 billion in community investments, and renovated or constructed more than 3.1 million square feet of nonprofit and affordable housing spaces.

About TraverseConnect: TraverseCONNECT is a regional economic development organization charged with creating and implementing a clear and comprehensive economic development strategy for the Grand Traverse region. TraverseCONNECT drives economic development



efforts, oversees business development initiatives and works with partner organizations across the region on significant community initiatives.

About Rotary Charities of Traverse City: Rotary Charities is a place-based foundation providing funding, connections and learning opportunities to changemakers across Antrim, Benzie, Grand Traverse, Leelanau and Kalkaska counties. The public foundation was formed following the 1976 discovery of oil and natural gas reserves on property owned by the Traverse City Noon Rotary Club. The interest income generated from oil and gas royalties is distributed to community projects. To date, over \$63 million in grants and investments has been put to work by area organizations. Guided by a vision of a fair, thriving and resilient region, Rotary Charities helps changemakers work better together to address our region's complex problems and create community assets for all.

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