

# Supporting Your Child Care Business



## A Guide to Financial Assistance Opportunities



America's most trusted child care resource.

1-800-424-2246

[ChildCareAware.org](https://www.ChildCareAware.org)

You have decided that becoming a child care provider is the right career path for you. Now, you find yourself wondering how you are going to make your business work. You need a business plan that shows how you plan to finance and operate your child care program. There are various financial support options available to child care providers. From local, federal and state programs to local businesses and foundations, you can find the resources that work best for you and your new business.

***Read more to learn about funding opportunities . . .***

### **Local Funding**

Contact your local Child Care Resource & Referral agency (CCR&R). Experts there will be able to assist you in locating local funding sources for your child care business.

In some areas, local businesses offer financial incentives to family child care homes and child care centers. For example, some local programs allow family child care providers to make home improvements to help grow their child care business. These incentives benefit both child care providers and employers. Increasing availability of child care options through incentive programs can increase employee retention.

To contact your local CCR&R, visit [www.ChildCareAware.org](http://www.ChildCareAware.org) or call 800-424-2246.

### **Federal Funding**

The federal government funds two major programs that benefit child care centers and family child care providers. Both programs are administered by individual states. The federal government also provides general information about public funding resources. You can research the specific options to see how they apply to your center or family child care home.

The two most common federal programs that assist child care providers are the Child and Adult Care Food Program (CACFP) and the Child Care and Development Fund (CCDF).

- ✦ **CACFP** allows over 3.3 million children to receive healthy meals and snacks each day while in child care. In addition to reimbursing you for some of your food expenses, the program also offers valuable resources related to serving nutritious meals and snacks. Contact your state agency to apply, find a family child care home sponsor or locate a facility that participates. To locate your state agency and for more information about the program, go to [www.fns.usda.gov/cacfp/child-and-adult-care-food-program](http://www.fns.usda.gov/cacfp/child-and-adult-care-food-program).
- ✦ **CCDF** is a grant to states that supports child care fee assistance for families earning low incomes. At least 4 percent of the money going to each state must be spent on programs to improve child care quality. To learn about which programs are available in your area or how to qualify for a state or local CCDF program, contact your CCR&R experts.

Other federal websites and agencies offering information about federal funding programs include:

- ✦ **Grants.gov** is a website offering information about more than 1,000 federal grant programs involving all 26 federal grant-making agencies. Information on the site can guide you through the process of applying for federal funds. Go to [www.grants.gov/](http://www.grants.gov/) to see which financial options might be available to you.
- ✦ **GovLoans.gov** is a website offering loan information for six federal agencies. Visit [www.govloans.gov](http://www.govloans.gov) for more information.
- ✦ **U.S. Small Business Administration (SBA)** offers information about a wide variety of loan options. The mission of SBA is to assist individuals in all stages of their business development: start-up, building and growing. For more information, visit [www.sba.gov](http://www.sba.gov).

## Nonprofit Funding

Some nonprofit organizations assist individuals with locating financial assistance.

- ✦ **Foundation Grants to Individuals Online** is a service organization that offers an online listing of grants to individuals in the United States. Go to <http://gtionline.foundationcenter.org/> to learn more.
- ✦ **First Children's Finance (FCF)** provides child care centers and family child care providers with financing tools and resources for making a business plan. It offers loans to child care centers and family child care providers in select geographic areas to support expansion, quality improvements and operations of existing programs. Visit [www.firstchildrensfinance.org](http://www.firstchildrensfinance.org) for information about financial resources or to learn more about applying for a loan.

## What is a Microenterprise?

If you operate a child care with five or fewer employees and your initial capital is \$35,000 or less, you may be classified as a microenterprise. As a microenterprise, you may be eligible to reach out to organizations that can help you become economically self-sufficient.

The *Child Care Microenterprise Resource Guide*, from the Office of Child Care, U.S. Department of Health and Human Services, offers information about the following topics:

- ✦ Starting or improving a child care business
- ✦ Accessing funding opportunities
- ✦ Improving physical business infrastructure

The guide also has a directory with more than 60 organizations in 34 states, the District of Columbia and Puerto Rico that have experience serving child care providers and business owners. Find the entire resource guide at <http://idaresources.acf.hhs.gov/>.

Now that you have an idea of the resources available for sustaining your child care business, you will need to explore the options most appropriate for you. Check with your local community college or other community organizations for information about grant-writing programs. You may also be able to find local programs that offer financial planning courses. Building your child care business will move forward more smoothly once you have laid your financial foundation.



Child Care Aware® is committed to helping parents find the best information on locating quality child care and child care resources in their community. In partnership with Child Care Resource & Referral agencies (CCR&R), Child Care Aware® builds consumer awareness and supports families in making choices for the care and education of their children.



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For additional resources or help finding your local Child Care Resource & Referral agency (CCR&R), call:

**1-800-424-2246**

**TTY Line: 1-866-278-9428**

**ChildCareAware.org**

For local information contact:



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